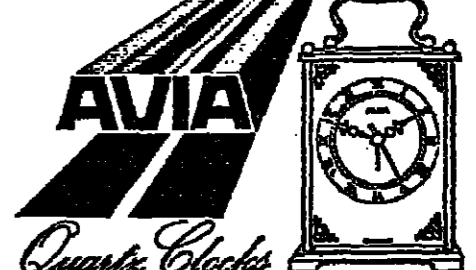


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SAVINGS INVESTMENTS
Specialist funds:
The risk factor
P.7

PROPERTY
In Boat Race territory
P.10

POLITICS TODAY P.16
The fallout from Darlington
NEW ISSUES
The problem of taming the stag

ARTS
Luke Rittner
on the sponsorship boom P.14

BOOKS
Le Carré
breaks new ground P.12

NEWS SUMMARY

GENERAL

Ruling on prisoners' mail raps Britain

Censoring of prisoners' mail by British jails is a violation of human rights, the European Court of Human Rights ruled in Strasbourg yesterday.

Some of the letters stopped or delayed contained complaints about jail treatment, threats of violence and discussions of legal proceedings.

Britain did not contest the issue because it had already modified the regulations concerned. The court did not consider the new rules, but the judgment effectively establishes a right to freedom of correspondence.

Ceasefire call

Former IRA chief of staff Sean MacStiofain called for a ceasefire by the Provisionals and INLA in Ulster, and less British military activity.

Fatal train crash

A train driver died in a crash between two trains on the Belfast-Lisburn, Co. Antrim, line, Northern Ireland.

Job for Schmidt

Former West German Chancellor Helmut Schmidt will become co-director of the political weekly *Die Zeit* on May 1.

Chileans protest

Chilean security police used water cannon to disperse hundreds of anti-government protesters in Santiago.

Publisher held

Argentine government arrested publisher Jorge Fontevicchia and accused Britain of mounting a "destabilisation" campaign.

Attackers jailed

Derek Davy and Raymond Brooks, both 18, of Bristol, were jailed for six and three years for a gang attack which left a community policeman with brain damage.

Briton arrested

Pakistan narcotics officers said they arrested British Richard Baker and seized 30 kilos of hashish en route to Europe.

21p a pint

The cost of a pint of milk will stay at 21p all summer, instead of being reduced as usual at this time, said Agriculture Minister Peter Walker.

Robot metro

The world's first automatic underground train system with neither drivers nor crews will go into service in Lille, France, next month.

Summer Time

Summer Time begins at 1 am tomorrow, when clocks should be put forward one hour.

Somali cleanup

Somali President Mohamed Siad Barre banned the popular drug qat, blaming it for nepotism, tribalism, black marketing, embezzlement, inflation and divorce.

Briefly

TV-am audience was 400,000—down 100,000—last week.
Swaziland will hold a general election in October.
Earthquake, 5 on the Richter scale, hit Iran.

BUSINESS

U.S. lifts growth forecast to 4.7%

U.S. administration raised its official forecast for economic growth from 3.1 per cent to 4.7 per cent to end 1982.

The announcement was made by Mr Martin Feldstein, chairman of the Council of Economic Advisers. It follows a bitter struggle between Mr Feldstein and President Reagan's other advisers, who wanted a forecast ranging up to 6.5 per cent. **Back Page**

STERLING dipped 30 points

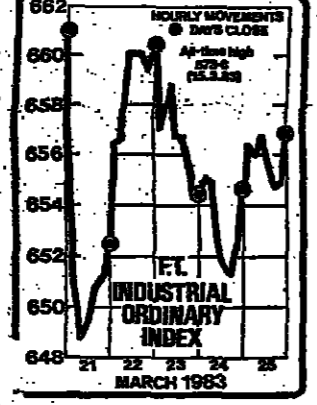
to \$1.4605. It also fell to DM3.53 (DM3.5425), FFfr 10.58 (FFfr 10.605), SwFr 3.0175 (SwFr 3.03) and Y246.5 (Y247). Its trade-weighted index was unchanged at 78.1. **Page 21**

DOLLAR eased to DM 2.416

(DM 2.42), FFfr 7.245 (FFfr 7.25), and to SwFr 2.665 (SwFr 2.67), but was unchanged at Y237. Its trade-weighted index was 122.1 (122). **Page 21**

EQUITIES finished the week

quietly steady on the pound's more stable trend on Thursday.



The FT Industrial Ordinary Index closed up 2.1 at 656.9 after drifting back slightly in the afternoon. **Page 24**

GILTS maintained

Thursday's harder tone with longer closing around 1 higher and shorts up 0.1. **Page 24**

GOLD fell \$2 to \$413

in London. In New York the March Comex settlement was \$414 (\$410). **Page 21**

WALL STREET was down

8.33 near the close at 1,137.87. **Page 20**

EXXON must repay \$885.5m

(\$813m) after a judge ruled it had overpriced crude oil from a Texas field. **Back Page**

THE FINANCE BILL, which

implements the Budget proposals, will be published on March 30.

RICHARD SHOPS executives

plan a management buy-out if the Hanson Trust bid for UDS, Richard Shops' parent, succeeds. **Back Page**

HARRIS QUEENSWAY,

furniture group, reported taxable profits for 1982 up 56 per cent at £18.5m. **Page 18; Lex**

GLAXO, UK pharmaceuticals

company, established a joint venture with Sankyo, Japanese drug group, to spearhead sales in Japan. **Back Page**

PLEASURAMA and Trident

Television, UK casino groups, began talks which may lead to a bid for Trident. **Back Page**

DRESDNER BANK of West

Germany reported unchanged income in spite of record operating earnings for 1982. **Page 23**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS		FALLS	
Treasury 15% 2000	£1181 + 1	Royal Electronics	434 + 15
Automated Security	474 + 29	Rank Org	145 + 7
Bellair Cosmetics	29 + 5	Reckitt & Colman	483 + 13
Bio-Isolates	285 + 10	Trident TV A	830 + 10
Black & Edgington	64 + 6	Trusthouse Forte	101 + 4
Boustead	55 + 6	Trusthouse Forte	177 + 6
Bridgewater Ests	530 + 35	Surmah Valley	150 + 27
Campani	61 + 12	De Beers Deft	502 + 7
Canons A	62 + 7		
Commercial Union	134 + 4		
Esco	735 + 35		
Esco Inds	320 + 30		
Esco (G)	30 + 20		
Johnson Cleaners	345 + 15		
Manpower Bronze	53 + 5		
Marlin The			
Newsagent	128 + 15		
Owen Owen	190 + 14		
Plessey	945 + 7		

France unveils austerity measures

BY DAVID MARSH AND DAVID HOUSEGO IN PARIS

THE FRENCH Government yesterday unveiled a wide ranging package of austerity measures aimed at reducing domestic demand by FFfr 80bn (£14.4bn) this year. It includes increases in taxes and public sector charges and public spending cuts.

These moves, and others such as a compulsory savings scheme, severe new restrictions on spending abroad by French tourists and a tightening of exchange control loopholes, will combine to cut French living standards this year.

Such a step was previously regarded as unthinkable by M Francois Mitterrand's administration.

The most important measures are:

- A cut in this year's budget deficit, originally put at FFfr 118bn, by about FFfr 20bn through a combination of spending cuts and new taxes—notably an increase in petrol duty next month.

- A reduction in the deficits of public enterprises and local authorities of about FFfr 11bn. Electricity, gas and telephone bills will go up by 8 per cent from April, one or two months earlier than originally planned. Rail fares will also rise by an average 8 per cent next month. Investments and stock-building in the public sector will be slowed down.

- To help balance the accounts of the social security system, a new levy of 1 per cent of taxable incomes will be introduced before July. Price rises on alcoholic drinks and tobacco—announced last September—will be brought in on April 1 and July 1, respectively. Strong drinks will go up by FFfr 10 a litre, while cigarettes rise by 25 per cent.

- About FFfr 20bn will be raised through Government measures to increase savings, including a FFfr 14bn obligatory three-year loan to the Government to be subscribed by nearly all taxpayers in May. The subscription—on which interest will be paid—will amount to an additional 10 per cent on individual tax bills for last year.

- Restrictions on foreign holiday spending are to be tightened drastically. Tourist spending is limited to only FFfr 2,000 per adult per year and FFfr 1,000 per child. There will be special allowances for business travel for export purposes.

- Loopholes in the foreign exchange regulations are to be closed. A number of foreign currencies for buying goods for resale abroad in future will have to be made closer to the time of sale. General restrictions on forward purchase of currencies will be extended to the commodity trade.

The toughness of the measures carries the personal imprint of M Delors, who emerged from this week's government reshuffle promoted in the government team and with his powers widened.

The package has been put together in the wake of Monday's devaluation of the franc in the European Monetary System and the shift to the political centre in this week's Government reshuffle. It is designed to cut the country's trade deficit by roughly half this year to about FFfr 45bn, and to bring it to balance within two years, without recourse to protectionist trade measures.

Emphasising the scale of the Government's retreat from

earlier expansionary policies, the belt-tightening will severely cut economic growth. Gross national product is expected to rise by 0.5 per cent at most this year, compared with the 2 per cent forecast earlier.

Both industry and the financial community thought the measures were more severe than expected. The Patronat employers federation said they would depress the economy, and called for measures to help companies.

There was some concern that one immediate effect of the tax and tariff increases will be a slight increase in inflation in the summer.

Although the Government has cut this year's money supply growth target by 1 percentage point to 9 per cent, it has brought in no fresh measures to tighten interest rates.

Continued on Back Page

Alliance leaders try to head off row over election defeat

BY PETER RIDDELL, POLITICAL EDITOR

SOCIAL DEMOCRAT and Liberal leaders yesterday attempted to prevent open rows breaking out within their alliance after the SDP's poor third place in the Darlington by-election.

Labour leaders, meanwhile, argued that Mr O'Sullivan's victory with an increased majority marked a turning point in the party's electoral fortunes.

The Conservatives were clearly relieved that Mr Michael Fallon had achieved a good second place after a strong late surge.

The result leaves open the Prime Minister's options of election timing and no decision will be taken until after the local council elections on May 5 and the Cardiff North-West by-election, probably on the same date.

The outcome is a blow for the Alliance after the Liberal landslide win at Bermondsey, South London, a month ago. Mr Tony Cook of the SDP was the only odd-on favourite in Darlington.

Mr Roy Jenkins, SDP leader, yesterday, claimed the result showed British politics to be in a highly volatile state with no one by-election giving a full picture.

Mr David Steel, the Liberal leader, told his party's Scottish conference in Aberdeen that the lessons must be learned together and "not in any spirit of rivalry between the two parties."

There were, however, mutterings from some long-standing Liberal critics of the Alliance about the SDP's efforts in Darlington. Mrs Shirley Williams of the SDP admitted that there was not a "sufficiently attacking campaign."

Mr Jenkins and Mr Steel will face a challenge from some Liberal MPs at a joint meeting next Wednesday of the two parties' MPs. Mr David Alton, the Liberal MP for Liverpool, will seek to win the two Liberal proposals for naming a "Prime Minister-Electorate" before the General Election.

Mr Alton, who has been involved in fierce rows with the SDP at Liverpool, will argue that a joint leadership should continue until after the election when the decision should be taken by newly-elected Alliance MPs; the Liberals expect to be in a majority then.

Some SDP members are urging that Mr Jenkins should be named shortly as PM-designate.

The SDP faces the further problem that Mr Nick Jenkins, its recently-selected candidate for the Cardiff by-election, is quitting, officially for medical reasons, and the party will quickly have to select a successor.

At Darlington the Labour majority increased from 1,052 in the 1979 election to 2,412. Labour took 39.5 per cent of the vote, compared with 34.8 per cent for the Tories and 24.5 per cent for the Alliance.

Personality the key to victory, **Page 3; "The Times" Today, Page 17**

Britoil profits exceed forecast by 23%

BY RAY DAFTER, ENERGY EDITOR

BRITOL, the former exploration and production arm of state-owned British National Oil Corporation, made a pre-tax profit of £257m in the five months to the end of December, 23 per cent more than forecast in its privatisation prospectus last summer.

The surprise result, announced yesterday, arose because of higher-than-expected oil production levels and a higher sterling value for sales, Britoil said.

The results were the first to be reported by the formerly state-owned company since it was floated off from BNOC in November. Britoil began operating separately from the BNOC trading operation on August 1.

Britoil's partly-paid shares rose 3p to 56p on the announcement of the results. Under the Government's flotation arrangements the second instalment of £1.15 a share is due to be paid by stockholders on April 6.

During the past five months of 1982, Britoil had a turnover of £483m and a net profit of £42m. This was after a 57m provision for unrealised currency losses on U.S. dollar borrowings.

On the other hand, the pound's fall against the dollar in the latter months of last year helped to boost sterling income on Britoil's production, averaging 147,000 barrels a day. Britoil previously forecast production nearer 145,000 b/d.

Britoil reported a pre-tax profit of £412m for 1982. This was calculated on the basis of exploration and production activities and excluded BNOC's oil trading interests. Turnover from oil and gas production totalled £1.1bn last year.

Even on this adjusted basis profitability of BNOC as a whole, including Britoil, was at record levels. In 1981, also a record year, BNOC's pre-tax profit from trading and production amounted to £438m.

Britoil tops profit forecast, **Page 18; Lex, Back Page; BNOC faces legal challenge, Page 4**

£ in New York		YOU SAVE	
No. of years before fees are payable	Lump-sum investment		
13	£2,444	£9,057	
9	£3,798	£7,703	
4	£6,396	£5,105	
2	£7,866	£3,635	
0	£9,478	£2,023	

Notes effective at 31st March 1983 and subject to alteration without notice.

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Address _____
Postcode _____

SAVE & PROSPER GROUP

W. German defence experts uneasy over laser arms plan

BY JAMES BUCHAN IN BONN

DEFENCE specialists in West Germany, always sensitive to suggestions of change in U.S. strategy, have responded with considerable unease to President Reagan's vision of developing new technologies to provide defence against nuclear missile attack.

Herr Manfred Woerner, the Defence Minister, and even Herr Egon Bahr, the defence expert of the opposition Social Democrat Party, applauded Mr Reagan's emphasis on defence rather than retaliatory strategy in his description on television on Wednesday of an immense anti-ballistic missile (ABM) system of the future using such fledgling technologies as lasers, microwaves or particle beams directed, even from orbit.

Yet there were anxious remarks elsewhere in Bonn that Mr Reagan's proposal might imply a whole new area of arms competition, violating the 1972 U.S.-Soviet treaty, limiting ABM systems and forcing the Soviet Union, which is certainly weaker in these technologies, to react first.

In the looking-glass world of arms control, it is argued now

as in 1973 that the erection of an impenetrable anti-missile shield actually frees its possessor to launch an attack.

The overwhelming West German pre-occupation is with a U.S.-Soviet agreement on missiles in the European theatre. Bonn is desperately hoping that the U.S. President, perhaps in his TV address promised for March 31, will formally abandon his "unrealistic" insistence that the Soviet Union dismantle its entire intermediate-range missile force and offer agreement instead on reduced forces on each side.

It was scarcely encouraging that, instead of concentrating on political solutions, Mr Reagan opened up a dizzying future of new technological competition, especially as Herr Woerner admitted that he had not expected Wednesday night's speech.

Herr Woerner also pointed out that Mr Reagan's future strategy would have no effect on the need for deterrence over the next 10-15 years and that it "must not weaken our efforts to reach arms control agreements on all weapon sectors."

Security talks adjourned

BY DAVID WHITE IN MADRID

THE 35 countries taking part in the Conference on Security and Co-operation in Europe are to re-convene here on April 19 after governments have decided what stance to take on the latest compromise proposals. The talks were adjourned for Easter yesterday.

The draft document presented last week by neutral and non-aligned participants represents the only hope for breaking the

stalemate at the Madrid talks, which have already dragged on for more than two years.

Mr Caspar Weinberger, U.S. Defence Secretary, met here yesterday with ambassadors of the 16 Nato countries, which have not formally reacted to the proposed document. Mr Weinberger was concluding a three-day visit largely devoted to the question of Spain's future in the alliance.

Repayment from Costa Rican bank ordered

By William Hall in New York

Banco Nacional de Costa Rica, a government-owned bank, has been ordered to repay \$13.7m (\$9.39m) which it owes to seven international banks in a U.S. court case which has important implications for banks involved in international trade.

The seven banks involved are part of a 16-bank syndicate that lent \$40m to Banco Nacional de Costa Rica in 1980 to finance exports of sugar and sugar products from Costa Rica.

When the one-year loan fell due, the Costa Rican bank was unable to make the repayment as the country's central bank had ruled in the interim that only debts due to international agencies were to be repaid.

The seven U.S. Latin American and European banks involved felt that the Costa Rican action violated an important principle of international trade finance and started proceedings to recover their money in the U.S. courts.

A U.S. federal district court in New York has now ruled that Costa Rican government decrees do not apply to loans which have been negotiated under U.S. law and has ordered Banco Nacional de Costa Rica to repay the loan.

The fact that some of the banks involved in the loan decided not to proceed through the U.S. courts indicates that there is some difference of view about the wisdom of acting against Costa Rica when it is trying to reschedule some \$40m of its debts.

Ershad to relax politics ban

La-Gon Hassan Mohammad Ershad, Bangladesh's ruler, yesterday promised to relax a ban on political activity from April 1 to prepare for a peaceful transfer of power to an elected civilian government. Reuter reports from Dhaka.

He said restrictions would be lifted on what he called "indoor politics"—holding meetings in party offices—to enable various groups to formulate their views on constitutional and national issues.

The announcement followed his pledge to hold a dialogue with his political opponents to determine Bangladesh's future.

More flee to Botswana

The flow of refugees from south-west Zimbabwe is increasing, Mr Daniel Kwekwe, the Botswana Information Minister, told Parliament yesterday. AP report, from Gaborone. The refugees were fleeing Matabeleland, scene of fighting between government soldiers and dissidents loyal to Joshua Nkomo.

Police have confirmed that at least 50 people have been arriving daily for the last two months or so. Independent sources say at least 100 arrive daily.

FT man in court

Mr Bernard Simon, a Financial Times correspondent, appeared again in the Johannesburg Magistrate's Court yesterday on a provisional charge of defacing the ends of Justice, J. D. F. Jones reports from Johannesburg. The case was adjourned until April 15 so that the police could investigate further. Mr Simon is free on bail.

Holy Year starts

Holy Year began officially yesterday when Pope John Paul II struck the bronze door of St Peter's Basilica with a silver hammer, reports John Phillips from Rome. The Jubilee was announced unexpectedly late last year to commemorate the 1,500th anniversary of the death of Christ.

The Italian government estimates that 7m pilgrims might visit Rome before the Holy Year ends at Easter 1984.

W. German pay talks

Leaders of IG Metall, West Germany's biggest trade union, will meet chief representatives of the metal industry employers today to try to overcome a deadlock in pay talks, John Davies reports from Frankfurt. The union is hoping that the meeting can agree on a date and framework for resumption of negotiations in one region of the country. IG Metall has been pressing for a pay rise to match expected inflation this year. It had spoken of 6.5 per cent but has since lowered its sights. Employers have offered 3 per cent.

Burma reserves drop

Burma's foreign exchange reserves plunged from \$211.3m (\$144.9m) in the six months between March and September last year, according to an official report just released. Chit Tun reports from Rangoon. The reserves were used because export earnings and loan income failed to cover the high cost of capital equipment, accessories and industrial raw materials.

Reagan wins key Congress votes

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday welcomed two big Congressional agreements on a \$4.5bn (\$3.15bn) jobs bill and a \$165bn scheme to save the ailing social security system—as evidence that the new bipartisan approach he seeks is beginning to work.

Mr Reagan said that the agreement on social security had "lifted a dark cloud" from over the nation's pensioners. The money is to be raised during the rest of the decade through a combination of higher pay roll taxes, postponed cost of living adjustments and through subjecting some benefits to income tax for the first time. The retirement age is to be raised from 65 to 66 by

2009, and to 67 by 2027.

The Jobs Bill, which Mr Reagan still insists is not a "make-work" programme, will provide funds for construction and repairs of roads and bridges, and will extend unemployment payments which expired in some states this week.

Mr Reagan yesterday insisted that an impromptu news conference that it would hardly add anything to the budget deficit, because it mainly involved bringing forward funds that were due to be spent anyway.

Some success with a bi-partisan approach in these areas, but not doing so well with his defence and foreign policies. Mr Reagan first issued his appeal for a new

atmosphere of compromise in the state of the union message in January. After democratic gains in the House of Representatives in the November mid-term elections.

Congressional leaders predicted yesterday that the Senate, which is led by Republicans, would vote for more than the 4 per cent increase in defence spending approved by the House on Wednesday, but that the figure would still be "markedly lower" than the 10 per cent in real terms for which Mr Reagan is asking. The Senate is not due to vote until after Easter.

The Democrats accused Mr Reagan of presenting a distorted and misleading account of the U.S.-Soviet imbalance of power

in his speech on Wednesday night—when he called for studies of a big new anti-ballistic missile system based in outer space—in order to protect his "excessive" defence budget and "divert our attention from the dismal failure of his economic policies."

Mr Reagan has also been sent conflicting signals from Congress on El Salvador. He asked for \$50m in emergency military aid for the U.S.-backed government there. The Senate Foreign Relations Committee approved only \$30m, the day after a Senate Appropriations sub-committee had approved the full \$50m. Another committee had delayed its decision until next month.



Mr Andropov

Andropov's health stays under scrutiny

By Anthony Robinson in Moscow

REPORTS that Mr Yuri Andropov, 68, the Soviet leader, is in poor health were partially dispelled yesterday when he visited the visiting Nicaraguan Sandinista leader Daniel Ortega, according to the Soviet news agency Tass.

A top Soviet official told correspondents at a diplomatic reception on Thursday that Mr Andropov had been ill with flu, an epidemic of which is sweeping the city in the aftermath of winter.

But Mr Andropov's lengthy non-appearance in public and reports of backstage political manoeuvring before a planned party central committee meeting next month had sparked suggestions of a recurrence of a kidney disease which has plagued him sporadically for several years.

The gerontocratic nature of the Soviet leadership and the personalisation of political struggle in a byzantine political system with an underdeveloped institutional framework for change ensures that rumours about the physical health of leaders are frequently read as omens of political health too.

Speculation about forthcoming political personnel changes has been fuelled by this week's elevation of Andrei Gromyko, Foreign Minister, to the post of First Deputy Prime Minister. He shares this honour with two other men.

The move is expected to lead to his eventual retirement, opening the way for promotion of a younger man, while Mr Gromyko would retain an overall advisory and co-ordinating role in foreign policy matters.

Several senior career diplomats are believed to be waiting in the wings, including the veteran Soviet ambassador to Washington, Anatoly Dobrynin, who is expected back in Moscow shortly.

Honduran troops 'in Nicaragua'

By Hugh O'Shaughnessy

THE SANDINISTA government in Managua yesterday charged the Honduran government with having sent its troops into Nicaragua to support counter-revolutionaries bent on overthrowing the Nicaraguan government.

The Sandinistas said their forces clashed with Honduran troops in the Papayas valley, 180 miles north of Managua. The statement came a day after deputy Nicaraguan foreign minister Nora Astorga had warned the Honduran government that it risked all-out war with Nicaragua.

The Nicaraguans report that one of their troops was wounded in the fight in the Papayas valley. Nicaragua was expected yesterday to continue its charges in the UN Security Council that the U.S. government was backing the counter-revolutionary thrusts into its territory.



Rees calls for changes in U.S. trade rules

BY NANCY DUNNE

MR PETER REES, the British Trade Minister in meetings with U.S. officials yesterday, has urged "considerable modification" of the U.S. Export Administration Act, the body of regulations which govern U.S. attempts to slow the West European-Siberian gas pipeline project last year.

The act is due for renewal in Congress this summer and Mr Rees and other European Governments have been pressing the U.S. Congress and the Reagan administration to amend the legislation in relation to powers allowing the imposition of export controls outside U.S. territory.

"We are concerned about the sovereignty aspects and we don't like the retroactivity," Mr Rees said at a Press conference in Washington yesterday. He said he found support on Capitol Hill for the British view opposing retro-

active legislation. A repeat of last year's additional 9m tonne purchase looked unlikely, he said.

Moscow has the right under the agreement to buy another 2m tonnes without U.S. Presidential approval, but the Americans had a good harvest and are willing to sell much more.

Mr Tracy said the embargo imposed by former President Jimmy Carter because of Soviet intervention in Afghanistan had contributed to a Soviet wariness of market reliability.

The act allows for the imposition of controls on companies incorporated outside the U.S. with U.S. shareholders and on goods and technology held outside the U.S. on the strength of their U.S. origin.

Mr Rees said that in discus-

sions with administration officials and on Capitol Hill he was at pains to stress that the act was not the interests of American businessmen.

He said the British Government would also oppose import bans which have been suggested.

AP adds: U.S. officials are believed to be considering a ban on exports to the U.S. from countries or companies that ship strategic goods to Soviet Union.

Mr David Demarest, Mr Brock's spokesman, said he assumed the tougher sanctions were being considered in redrafting the act.

EEC Commission angry at ruling on steel

BY LARRY KLINGER IN BRUSSELS

THE European Commission yesterday reacted with anger and dismay to the ruling on Thursday by the U.S. International Trade Commission (ITC), which could lead to tough curbs on EEC exports of specialist steels.

After the settlement last autumn of a protracted EEC-U.S. dispute, under which the Community agreed to limit its sales in the U.S. of mainline carbon steels, the Commission had expected that there would be no resumption in the steel sector of what it views as unwarranted U.S. protectionist moves, prompted solely by the recession.

The commission is particularly angered that the ruling, which declared that the U.S. industry was suffering "serious injury" from imports, was taken against products which attract little or no subsidy. Ninety thousand tonnes of annual EEC exports of special steels, worth more than \$100m

could be affected.

A spokesman said: "The European Commission maintains its view that the present situation of the U.S. steel industry is not a result of steel imports but, on the contrary, is due to the overall economic situation which led to a severe slump in global steel consumption."

Even the ITC had admitted this, the spokesman said, by stating that the recession could be seen as a main cause of depression in the U.S. industry—more so than imports.

AP-DJ adds from Washington: Legislation to create mandatory controls, so as to enforce U.S. limits on imports of steel pipe and tube from the EEC, has been introduced to the House of Representatives. Congressman Sam Hall said a "back-up system of mandatory controls" was needed on the U.S. side to ensure European compliance.

Asean matches European strategy for Mideast

BY JOHN WYLES IN BANGKOK

THE FIVE member countries of the Association of South East Asian Nations (Asean) joined the European Community for the first time yesterday in urging speedy progress towards a Middle East peace settlement.

In a joint declaration aimed at persuading the Palestine Liberation Organisation to allow King Hussein of Jordan to negotiate on the basis of President Reagan's peace proposals, the two regional groups called on "all parties to the dispute to seize the present opportunity for progress towards a comprehensive just and lasting peace."

For their part, the six EEC Foreign Ministers went some way towards lining up alongside Asean in support of the coalition of Democratic Kampuchea led by Prince Norodom Sihanouk. This groups the main political forces resisting the Reng Samrin regime installed by the Vietnamese in Kampuchea.

Asean's readiness to give some political backing to the EEC's preoccupation on the Middle East highlighted the extent to which the two-day meeting—the fourth of its kind—successfully forged broad common approaches.

The task was not a particularly difficult one for the EEC Ministers, as they were dealing with five of the most pro-Western and relatively prosperous members of the Third World—Malaysia, Singapore, the Philippines, Thailand and Indonesia.

The Asean countries were unhappy about France's plan to supply \$30m of aid to Vietnam. But they avoided any public criticism, and claimed they were satisfied with the joint declaration's formula that "no assistance should be given to Vietnam of such a nature as to sustain and enhance the Vietnamese occupation of Kampuchea."

Anti-trust probe on airlines

By Paul Taylor in New York

THE U.S. Justice Department yesterday launched a criminal anti-trust grand jury investigation of airlines operating the transatlantic route between the U.S. and Europe. The investigation, which has been expected, will focus on "possible anti-competitive practices in transatlantic air service."

It follows allegations by the liquidators of Laker Airways that major U.S. and European airlines conspired to drive Laker out of business.

China agrees next N-station step

BY MARK BAKER IN PEKING

CHINA has agreed to the formation of a management committee to prepare for the \$80m (\$4.11bn) nuclear power station in Guangdong province, near Hong Kong. According to the official New China News Agency, British and Chinese officials are about to sign a memorandum to begin preparations for the station.

Gu Mu, a Chinese state councillor, met a delegation from the British Industry Department, which has been in talks in Peking for the past four days.

"The construction of the nuclear power plant will benefit the economic development of both Guangdong and Hong Kong, and will be conducive to Sino-British co-operation in other fields, Gu said later.

The agency said the talks had "explored the possibility of buying conventional equipment from Britain for the plant."

The talks had also dealt with investment, electricity distribution, sales of electricity to Hong Kong.

It has been widely predicted that Britain's General Electric Company will supply conventional equipment for the station, while the French company Framatome will supply the two nuclear steam supply systems.

However, the French are pressing for the complete contract.

The station would operate as a joint venture of the Chinese Guangdong Electric Company and Hong Kong's China Light and Power.

J. D. F. Jones, recently in Mbabane, explains leadership reshuffles

A beginner's guide to Swaziology

A COUNTRY in which the Prime Minister, a Prince, is sacked by the Queen Regent, also known as the Great She Elephant, and where the King's household inhabits a kraal with a Royal Cattle Byre can be a little bewildering to outsiders.

Such is Swaziland, the small entity on the border of the Swazi Africa and Mozambique, where this week a second Prince was chosen to succeed Prince Mabandla Dlamini, sacked unexpectedly last weekend.

The affairs of Swaziland are particularly bewildering to the outside world because of the duality of the system left by King Sobhuza II, who died last August after reigning for 61 years. He inherited from British colonial days two parallel systems of rule—the "Swazi Nation" and the "Government," the Lijongo Royal Council and the Parliament.

The Swazi Government is found in the business centre of Mbabane, the King and his household are down the valley in Lobamba, in the beehive huts and the Royal Cattle Byre at Loria.

To the non-Swazi, the relationship between the two structures, in any case, is murky, while any attempt to follow the politics of the (enormous)

Dlamini Royal Family makes Kromling seem easy.

The death of the king, who had dominated the lives of his subjects—there are scarcely 800,000 of them, and most live a rural life—led to six months of uneasy equilibrium between what can be loosely termed the "traditionalists" and the "modernists."

This division does not necessarily correspond to the duality in the Swazi system, but it was possible to identify certain Ministers as modernists, though it was far from clear that the modernist Prime Minister, Prince Mabandla Dlamini, could command his own cabinet.

Down at the Cattle Byre the sovereign authority had passed to the Great She Elephant, Queen Regent Dzelwe, in her late 50s, and the King Sobhuza's later wishes.

Although no official announcement has been made, it is known that the next King has been chosen. He is a young Prince in his mid-twenties and it is understood that he has been sent to Britain to be educated.

Not surprisingly, there has been a battle for the Queen Regent's ear, and at this point Swazi politics vanish completely into the shadows of the kraal. Prince Mabandla had been con-

sidered fairly well placed, partly because he had recently managed to achieve the arrest of two of the principal traditionalists.

His ousting—apparently to his own surprise—and the announcement that his successor was to be Prince Bhekimp Dlamini (whose political career dates back 20 years) seem to confirm that the traditionalists have regained the initiative.

Prince Bhekimp, who was sworn in yesterday, is 59, but apart from the fact that he was deputy minister in the Department of the Deputy Prime Minister (and thus in Cabinet) and by his record a proven traditionalist, little is known of him. Elections will be held in October, and the present cabinet will carry on until then.

But what does this mean in terms of practical policies? Swaziland, although a sovereign member of the Commonwealth, is dominated by the regional police-economic system controlled by South Africa. Swaziland's commercial life is intimately related to that of the Republic. Its menfolk traditionally migrate to work in South Africa (though the numbers who go to the mines have

contracted to about 10,000 a year). Its tourist industry exists partly to cater to white South Africans as escape from apartheid and the puritanical restraints of their home country.

There are three key areas in which the South African connection is particularly important.

● Swaziland's membership of the Southern African Customs Union, which not only gives young Swazi industries access to the Republic but, more important, accounts for 60 per cent of total Government revenues.

● The land issue. The Swazis have been to recover land that was alienated in the last century. Pretoria last year offered to cede to Swaziland large tracts of the historically-claimed territory—the Kanyawane, home-land and the Ingwenyama area of KwaZulu—plus nearly 2m Swazi citizens, in a deal which would have given Swaziland access to the Indian Ocean at Kosi Bay.

Swazi traditionalists by and large were delighted. Modernists tended to look the gift horse in the mouth. South African opponents of the Government were appalled; and the South African courts blocked the deal. The change of Gov-

ernment in Mbabane raises the possibility of the revival of this issue.

● Swaziland is important to South Africa's security because it lies across the route of African National Congress (ANC) guerrilla incursions from Mozambique. The South Africans have made it clear that they will not tolerate any ANC use of Swaziland as a "spring-board" for military incursions.

The Swazi Government has been anxious to confirm that it wishes to "reduce dependence" on South Africa. It remains to be seen whether or not a more traditionalist Government will be less interested in demonstrating this policy, or less successful in achieving any results.

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See page 17

UK to head study on public's views of technology

BRITAIN is co-ordinating the first international study on the public acceptability of new technologies such as nuclear energy, robotics and micro-processors.

The project is part of the annual "economic summit" attended by the seven nations. The summit will deal with the challenges and opportunities of technology and the need for more co-operation, proposed by President Mitterrand of France at the Versailles economic summit last June.

A working group drew up a report on proposals to help "exploit the immense opportunities presented by the new technologies, particularly for creating new employment."

The report will be discussed at the Williamsburg economic summit in the U.S. at the end of May.

"What we think we have done is to raise to the highest level the subject of science and technology," Dr Robin Nicholson, chief scientific adviser to the Cabinet Office and to the Prime Minister, said yesterday.

Dr Nicholson, who represented Britain on the working group, said he was "delighted at the warm reception" the other six nations had given Britain's proposal on the problem of public acceptance.

The report says that if new technologies are regarded as unacceptably risky or threatening to the environment or to jobs, they can be and frequently are resisted.

It is possible to distinguish between different public and different dimensions of the public acceptance problem. For example, the same individual can respond enthusiastically to new technologies as a consumer but negatively in the workplace, where technologies are frequently seen as threatening to jobs, status and skills," the report says.

Dr Nicholson said there had been little collaboration previously between nations.

The proposal was one of four accepted from Britain. The others were food technology, bio-technology, and advanced materials and standards.

"Technology, growth and employment. Report of the Working Group set up by the Economic Summit Meeting of 1982. Cmd. 8818. S.O. £3.55.

Peter Riddell looks at the effects and implications of the by-election's differing campaign styles

Personality the key to Labour's Darlington victory

THE ELECTORATE is now so volatile that all by-elections are different. The explanation for Labour's victory in Darlington, therefore, lies primarily in local factors, notably the personalities of the main candidates.

Labour MPs privately concede that, if say, Mr Chris Mullin, the hard-left editor of Tribune, had been picked for Labour—and he was seeking the nomination originally—the whole campaign would have been different. A good Social Democratic Party candidate, or possibly the Tory, might then have won.

The campaign and the fluctuating fortunes recorded by the polls suggest that many voters are no longer tied firmly to class and traditional allegiances. People change their minds and go in large numbers to public meetings to hear the candidates.

Mr Tony Cook, of the SDP, who came third, started the campaign as the front-runner, not least because he was well-known locally as a Tyne Tees television reporter. Yet, primarily as a result of three televised public debates, he was shown to be inexperienced and shallow on policy issues. This put the SDP on the defensive, just when Labour attacked.

Labour fought its most skilful campaign for many years, projecting Mr O'Brien, the victor, as the acceptable face of Labour, in an appeal to traditional party values. This is



The SDP's Mr Tony Cook canvassing. Voters were interested but not committed

The final personal twist came in the last two or three days, when the polls showed Mr O'Brien clearly ahead. There then seems to have been a melting away of "soft" SDP support, mainly to Mr Michael Fallon, the Tory candidate.

The Tory vote has always been strong in Darlington. The main impact of the last week's opinion polls seems to have been to push voters back towards traditional allegiances, when the alternative lacked credibility. This mainly benefited the Tories, as the Labour vote only rose slightly during the campaign.

The result raises many questions for all parties, but particularly for the Alliance. Liberal leaders, notably Mr David Steel, yesterday tried to play down any splits and refute suggestions that a Liberal candidate might have done better.

Nevertheless, long-standing critics of the Alliance, such as Mr Michael Meadowcroft, from Leeds, argued that the Liberal approach to community politics established a greater sympathy with the electorate. Similarly, in a speech to the Scottish Liberal Conference, Mr Simon

face such intense media pressure in a general election.

The selection process favours the well-known, with or without experience. This is because the hustings meetings before selection are often attended by less than half those who eventually vote by postal ballot to choose the candidate.

As a final curiosity, the campaign showed that the provision in electoral law allowing all candidates to appear together in televised debates undoubtedly helped Screaming Lord Sutch of the Official Monster Raving Loony Party, who got 374 votes in Darlington, a sharp improvement on his 97 in Bermondsey.

Such will, however, recoup his lost deposit of £150, since he placed a £50 bet at odds of 3-to-1 that he would poll more than 250 votes. He won £150, equal to his deposit, apart from all his earnings entertaining in local pubs during the campaign.

RESULT

O. O'Brien (Lab) 20,544; M. C. Fallon (Con) 18,132; A. P. Cook (SDP) 12,735; L. D. E. Sutch (Monster); A. H. Clark (Ind) 164; T. L. Keen (Free Voters) 374; J. N. Barrow (Yops) 15; P. R. Smith (Repub) 10; Lab majority 2,412. General Election: E. J. Fletcher (Lab) 22,545; T. J. R. Kirkhope (Con) 21,513; K. Walker (Lab) 5,054; H. Outhwaite (NF) 444. Lab majority 1,852.

Politics today, Page 17

Vaughan puts in a word for the consumer

COMPANY CHAIRMEN have been getting some surprise phone calls recently from Dr Gerard Vaughan, the Minister for Consumer Affairs. He has taken to ringing up the heads of consumer product manufacturers and asking them how responsive they are to what consumers want.

Dr Vaughan's concern is that consumers are forced to buy foreign-made goods, because British companies do not take sufficient heed of what their customers want.

"I asked one chairman of a large company why an advertising brochure he put out had no address or telephone number to enable the potential customer to contact the company if he wanted to," recalls Dr Vaughan. "He was as surprised as I was to find that his marketing department apparently paid so little heed to the consumer."

Dr Vaughan firmly believes the British consumer should take an active part in encouraging UK manufacturers to meet the needs of the domestic market rather than simply buying foreign-made goods by default.

He is also considering involving formally Britain's consumer groups to help in the campaign. This is likely to be more than welcomed by consumer activists meeting in Sheffield this weekend for the annual Consumer Congress.

Dr Vaughan is due to address the congress tomorrow and is expected to give a progress report on the Government's aid to consumers since he took over as Consumer Affairs Minister from Mrs Sally Oppenheim.

Dr Vaughan's record has been low-key since then as he and his officials have been faced with a plethora of minor legislative amendments in areas such as consumer credit, estate agents, and consumer safety.

Dr Vaughan has also tried to identify the four main areas he believes are of most concern to the consumer. These are: unfair trading, such as fraud; product quality; consumer safety; and information, especially in the nationalised industries.

Filters plant to close with loss of 150 jobs

More than 150 workers are to be made redundant at the Coopers Filters factory in Hethel, Hampshire, which is to close in July.

The company told the workforce it could no longer manufacture, air and oil filters there because of increasing costs and the depressed state of the motor industry.

Work would be gradually transferred to its main plant at Abergavenny in South Wales by the end of July.

The company, part of the Turner and Newall group, said the decision would help the company's operational efficiency and cost effectiveness.

During the last year the plant, which makes replacement oil and air filters for cars and lorries, has been gradually run down with the loss of over 100 jobs.

In December 1981 Coopers closed its warehouse in Luton with the loss of about 30 jobs.

BMW to import through Immingham

BMW (GB) is to import its cars for the North of England and Scotland through Immingham. The first ship carrying 126 of the West German-made executive saloons is due at the South Humberside port this afternoon.

The move will mean increased trade for Immingham, one of the Associated British Ports, and also for Doncaster, where a BMW import centre will be handling distribution of about 9,000 cars this year, a third of the estimated 27,000 BMW UK sales.

Dr Walter Rasselm, managing director of BMW (GB) said yesterday: "Because of the increased number of BMWs being sold in Britain, we planned a second port of entry after Harwich. The Immingham-Doncaster link will give us a more efficient distribution service to our northern dealers. It is hoped that the number of cars imported through Immingham will continue to grow in step with our projected future sales."

Mining gear suppliers likely to confirm merger

THE MERGER of two leading mining equipment suppliers is expected to go ahead following a decision by their main customer, the National Coal Board, not to block it.

Fletcher Sutcliffe Wild (FSW), the mining equipment offshoot of Booker McConnell, the food, services and engineering group, is to be sold to Doosan Park Industries, the mining machinery and engineering group.

Neither side has confirmed the sale or the price, which could be about £10m, the estimated net value of FSW. But an announcement is expected in the next few days.

The Office of Fair Trading has been in touch with the National Coal Board, but it is understood that, although the NCB made some comments about the sale, it did not call for a reference to the Monopolies and Mergers Commission.

FSW supplies conveyors for removing newly sheared coal from pit faces. It also makes powered roof supports, of which the NCB's two other suppliers are Doosan Park and Dowty Mining Equipment.

UK sales of roof supports last year were about £240m, but this has probably fallen by about 10 per cent because of the NCB's cash constraints.

FSW is Booker's fourth largest subsidiary and its largest engineering investment, with a turnover last year of about £30m. It employs 700 people and its headquarters are in Wakefield. It also has three main factories in Yorkshire.

Bookers had announced that it was keen to "reduce the extent of our diversity," while Doosan Park, with a net liquidity of about £4m, has been considering a purchase for some time.

The three companies also compete overseas. The U.S. coal industry is gradually turning to the "long wall" methods and equipment used in British coalfields.

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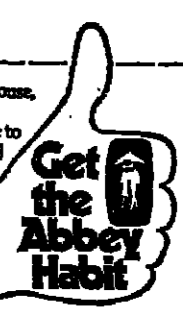
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Alan Pike reports on the BPCC dispute hitting publication of the Radio Times

The spectre haunting the printing industry

THE IMPLICATIONS of the dispute which has this week been creeping ominously through the British Printing & Communication Corporation, Europe's biggest printing group, go beyond its immediate effects on the Radio Times.

By yesterday several hundred members of Sogat 82, the print union, had been dismissed at BPCC factories in Park Royal, West London, and East Kilbride, Scotland, which print the Radio Times.

Sogat members outside BPCC have been threatening to take action in support of the Park Royal workers, which could risk Sunday newspaper colour supplements, mass circulation women's magazines and other titles printed by BPCC, and the spectre of secondary industrial action—and a challenge to the Government's employment legislation—again hangs over the printing industry.

The origins of the dispute date back not just to the reorganisation of the financially-troubled BPCC under Mr Robert Maxwell, its chairman, in 1981, but to 1936 when the Waterlow plant in Park Royal was opened

specifically to handle the Radio Times. At its peak the Radio Times had a circulation of 10m, and in 1936 a sister plant was opened in East Kilbride, Scotland, to help cope with the print order.

Between Park Royal's opening and 1981 the Radio Times was printed on a type of cost-plus contract under which the BBC met all production costs and paid the printing company a service fee.

Managers with long experience of Waterlow suggest that this comfortable but non-commercial arrangement did nothing to encourage efficiency at either shop floor or management levels.

In 1981 the BBC contract was renegotiated on a normal commercial printing basis. This coincided with Mr Maxwell's arrival and the launching of a survival plan for the sickly printing group.

National union leaders supported the plan, accepting that redundancies and changes in working practices were necessary if the company was to survive.

Achievement of the changes was remarkably trouble-free in most of BPCC's 40 locations, and the plan had an equally remarkable impact on the company's profits.

At the end of the year to January 1981, losses stood at £11.2m. By the end of the year January 1982 pre-tax losses were cut to £1.2m following a return to profit of £6.9m in the second half. Analysts expect further improvements when the company's latest results are announced next month.

Mr Maxwell has warned a number of times during the past two years that Park Royal has not been making the same progress as other plants in achieving the objectives of the survival plan. The production methods of the Radio Times, of the casual labour, and the fact that the plant is organised by the Fleet Street branches of the print unions all give Park Royal similarities to the national newspaper industry.

In a sense Mr Maxwell is involved in a Fleet Street style of battle, and last weekend he adopted a Fleet Street type of tactics by dismissing members

of Sogat 82 involved in the Park Royal dispute. This kind of tactic is usually no more than temporary, but Mr Maxwell has insisted that the 250 employees will remain dismissed and that printing work will be permanently withdrawn from the plant.

One of the crucial demands of the survival plan for Park Royal was that management and chapels should negotiate comprehensive house agreements to take account of new technology and the need to establish operations on a commercial basis.

The date set in the plan for reaching these agreements was January 1982, but by the time this week's crisis arose the agreements had still not been achieved.

BPCC says the two years it took to get negotiations going on the agreements saw repeated disputes and sectional claims. In its letter of dismissal to the Park Royal workers it says industrial action by Sogat has lost 7.5m copies of the Radio Times over the past two years and "completely eroded the customer's and BPCC's confidence in the company and its workforce."

BPCC says it has invested £1m in Park Royal but that the state of industrial relations there does not justify the much heavier investment which would be required for a full modernisation of the plant. The machinery there dates back to the opening in 1936.

It is planned to continue type-setting the Radio Times at Park Royal, but with circulation down to 3.5m the company would like to concentrate all printing at East Kilbride. Union leaders suspect this may have always been BPCC's preferred option.

For two years Park Royal has been waiting for the replacement of Mr Maxwell by a new chairman, but the promised major investment has not taken place. Mr George Willmshurst, Sogat 82 London Central branch secretary, said:

"There is a feeling that the company may have never really wanted to invest in Park Royal and has found an excuse to move printing of the Radio Times out. This will be resisted most strongly."

Jobs for council worry at Lloyd's

By John Moore, City Correspondent

A LLOYD'S underwriting agent has warned Mr Ian Hay Davison, chief executive of the Lloyd's insurance market, that a "most serious" situation has developed after the disclosure that some members of the Lloyd's ruling council are considering accepting jobs within the market.

Mr George Dawes, who runs the Dawes and Henderson (Agencies) company at Lloyd's, wrote to Mr Davison earlier this week when it became known that up to four of the eight members of the council elected by the non-working members of the market to represent their interests were considering taking up jobs with Lloyd's firms.

The council consists of 16 working brokers and underwriters; eight representatives of the 16,000 non-working members (external members who pledge their capital to allow Lloyd's to function); and three independent members with no connection with Lloyd's.

The external members are worried that the working members of the council may be widening their representation through offering jobs to the eight external members. They fear losing their representation on the council once their representatives take up appointments with brokers, underwriting agencies and other Lloyd's firms.

In his letter Mr Dawes, whose agency looks after the affairs of 150 members of Lloyd's, said: "I consider that the situation is most serious, as it will completely destroy the new structure set up to ensure representation of external members by independent persons."

It is his view that in principle a consultancy appointment will be considered by external members as a transfer by the member of the council to the establishment, and that the member of council has become a working member.

He has said that the members of Lloyd's would recognise that reasonable working expenses should be allowed for their representatives on the council, and suggests that perhaps a small attendance fee should be offered, based on the House of Lords method of remuneration.

Mr Dawes has asked what action is being taken "as one of my clients has already resigned his membership on the grounds that he considers his representatives will no longer be independent if they become attached to or financed by Lloyd's firms."

His fear is that there will be a mass exodus of members as a consequence of the inability of members of council not to capitalise on their position.

MSC halts jobless centres funding over political activities

By John Lloyd, Labour Editor

THE Manpower Services Commission has suspended further funding for the network of Unemployment Centres pending talks between the two bodies on tighter rules aimed at curbing the centres' political activities.

It has already cut off funds to one of the largest, the Sheffield Centre—called the Centre Against Unemployment—because it believes its work has become overtly political.

The commission has £2.68m available for the centres, enough to fund more than 780 posts. At present, however, it is paying for only 355 posts in 93 Centres, 88 of which are jointly funded with the TUC.

A meeting between Mr Len Murray, the TUC general secretary, and Mr David Young, the MSC chairman, is to be arranged soon after Mr Murray returns from his visit to China. Mr Young will press Mr

Murray to accept new guidelines for the centres which will seek to make them play an apolitical role.

It is thought that drafts of these guidelines call for a ban on participation in marches or demonstrations, balanced educational work and regular visits to the centres by MSC staff to monitor their behaviour and popularity.

The grant to the centres—there are now about 170 nationally—came under the Community Programme, which pays money to the unemployed, largely to engage in socially useful work.

The TUC has been aware of the potential dangers of relying on state aid for the centres, which it wishes to see playing a campaigning role. Mr Murray recently launched an appeal aimed at persuading union members to give £1 to the centres in a bid to achieve financial independence for them.

BID FOR SCREEN RIGHTS

Televising football 'a matter of economics'

By Raymond Snoddy

MR JACK DUNNET, president of the Football League and Labour MP for Nottingham East, said yesterday the televising of football was a matter of "pure economic forces."

"If someone offers you £1 for something and someone else offers to £1.50 then I assume the right price is £1.50," Mr Dunnet said.

He was explaining why an organisation with 92 local outlets grouped in four divisions with falling revenues and rising deficits should be seriously considering selling to London and Liverpool Trust the exclusive right to screen football matches in pubs and turning its back on television.

London and Liverpool, which last year vied with Polly Peck as the fastest moving share has offered £8m for the rights over the next two seasons. The joint offer from the BBC and ITV companies is £5.5m and is "absolutely final."

The Birmingham-based video and equipment distributor wants, through its Telejector subsidiary, to show the matches on 45-inch video screens in pubs and clubs on Monday nights.

Mr Jeffrey Bonas, London and Liverpool chairman, said yesterday that 2,500 screens were already installed and the total would be 5,000 by the end of the year. Although the national film service for the pubs and clubs does not begin until April, independent market research indicated that the programmes shown already were popular and that the advertising had a dramatic effect on direct sales. The plan was for three programmes of 20 minutes with advertisements at night.

The agreement with the Football League would not cover events such as the FA Cup Final or Internationals. But London and Liverpool would also like to expand the sports coverage 2p.

to include such things as boxing matches.

Mr Dunnet, whose recreation is watching professional football, said yesterday he believed the pub video screens were an exciting new media "and I think the deal has got everything going for it."

The London and Liverpool proposal comes before the 10 members of the management committee of the League at the Great Western Hotel, London, on Wednesday. If approved it goes to the clubs for a final decision.

Apart from money the proposed deal would give the league the right to choose which matches were shown and when. The league would also have editorial control.

Mr Dunnet believes television gives disproportionate attention to crowd violence, which he says is one factor reducing gates. The clubs would also make more money by carrying advertising on shirts.

But one hope is probably unmet in league minds. "If people are not able to see football on television any more we think it might improve our gates," Mr Dunnet said. The BBC said yesterday Match of the Day was already costing £100,000 a programme and the offer was final.

Clubs, the corporation warned, should compare the true worth of the rival offers. Ground advertising contracts are likely to be lost if football disappeared off the television screen. "A film Tottenham Hotspur sponsorship and ground advertising deal is dependent on network coverage," the BBC said.

"And think of how many people would want to go out on a Monday night to see a nina draw," the BBC said in a rough tackle.

London and Liverpool shares closed yesterday at 450p—up 2p.

MSC names councils in trainee plan

By Alan Pike, Industrial Correspondent

THE education authorities which will pilot a radical new approach to technical and vocational education for 14-18 year olds were named yesterday.

The Government originally intended to fund 10 pilot projects but the Manpower Services Commission has decided to open negotiations with 14 authorities. They are: Barnsley, Bedfordshire, Birmingham, Bradford, Clwyd, Devon, Enfield, Hereford & Worcester, Hertfordshire, Leicestershire, Sandwell, Staffordshire, Wigan and Wirral.

Some authorities may withdraw during detailed negotiations over the coming weeks, but money will be available to fund all 14 if necessary.

Two of the authorities—Enfield and Wirral—were added by members of the commission who were concerned that there was a geographical imbalance in the original selection. A total of 70 schemes from 66 authorities were submitted.

The scheme, starting in September, is designed to improve technical and vocational provision for 14-18-year-olds using a mixture of school and further education facilities. Although it is being launched as a pilot project, ministers and senior MSC officials believe it could bring far-reaching improvements in the technical skills of young people leaving Britain's schools.

Applications were received from 40 Conservative-controlled education authorities, of which nine were successful, and from 20 Labour authorities, of which five were successful.

● This week's meeting of the MSC approved a consultative document on means of improving adult training provision. It will be published next month. It also agreed to double the funding of the Open Tech Programme so that about 80,000 people will be able to take part in projects by 1984-85.

Legal challenge possible over BNOC price policy

By Ray Dafter, Energy Editor

THE British National Oil Corporation has met fresh controversy over its bid to negotiate a lower reference price for North Sea oil.

Several independent producers warned yesterday that they might challenge the corporation's attempt to backdate any price reduction to February 1. Tricentrol, one of the leading independents, is now considering legal action over the pricing of deliveries made to BNOC in February and March. It is thought that a sum of £580,000—£900,000 (£548,000-£618,000) is in dispute.

BNOC already faces difficulty in reaching a pricing consensus among its refinery customers. It could be late next week at the earliest before refiners respond to the corporation's recommendation that North Sea prices be cut from \$33.50 a barrel to \$30.50, from February 1.

Within the industry it is expected that BNOC will be forced to set a price of \$30 or lower. It might then meet problems with some of its independent suppliers, which are anxious to get as high a price as possible for their crude oil.

Tricentrol, it is understood, has already told BNOC that until the new North Sea rate

is set, deliveries should continue to be priced at \$33.50 a barrel. The company sells BNOC 130,000-150,000 barrels a month. A cut of \$3 a barrel, backdated to February 1, would result in a loss of income of over \$800,000 for Tricentrol.

State participation arrangements covering sales to BNOC require producers to seek an arbitrated price from an expert in the event of a dispute. However, Tricentrol believes that the expert should be called in only on questions of price, not on the timing of price changes. As a result the company is considering legal action.

Other independents are known to be watching Tricentrol's tactics with interest. Although some said they would prefer to settle any dispute through arbitration than in the courts, the problems of settling a North Sea price, and the consequent oil industry attention on BNOC and the Government, are beginning to provoke questions about the corporation's future.

Increasingly, company executives have been asking whether, in current market conditions, a state trading company serves any purpose. They point out that by fixing a reference price for North Sea crude, BNOC has been forced to assume a central role in the world oil market, a role which has become embarrassing to the Government.

Nationwide rebels fail in bid to replace directors

By Michael Cassell

REBEL members of the Nationwide Building Society yesterday failed in the annual meeting to replace some directors and implement a list of rule changes.

Mr Christopher Punt, the 37-year-old Barnstaple solicitor who was a founding member of The Building Societies Members Association, polled just over 30,000 votes from Nationwide members, less than half the total recorded by the three existing directors who were voted back. Three other members also failed in their attempts to join the board, a total of 32,193 votes were cast.

The four-hour meeting, held at the Europa Hotel in London and attended by about 800 people, also rejected two dozen resolutions calling for changes in the societies' rules and criticising aspects of Nationwide policies.

Although the protesters failed to achieve their major objectives, they extracted information about the society's business which had not previously been made available.

Last year, for example, the society spent £262,000 on entertaining business contacts (members were reminded that the figure worked out at a mere £10 a week for a branch). The society's vehicle fleet cost another £711,000 and £86,000 was given to charitable institutions.

At the centre of the argument about the method of election of directors to the board is the

society's power to fill vacancies that arise during the year by co-optation, enabling the person to stand for re-election at the next annual meeting.

Mr Punt, who claimed the system prevented ordinary members from being elected, said the society—once known as the Co-operative Permanent Building Society—was in danger of becoming known as the Permanent Co-optation Society.

Mr Paul Battley, supported Mr Punt. He has tried for 17 years to get a seat on the board and described himself as the "Bill Boakes" of the Nationwide. He, too, lost his deposit.

The board, said one member, should be more representative and should include women, blacks and people under 50. Perhaps, the company said, the board could co-opt one person who met all these requirements.

Undaunted by a chorus of taunts from the society's "militant tendency"—which likened the board to Stalin, King Canute and the Master of the Titanic, Mr Leonard Williams, Nationwide's chairman, defended the society's democratic qualities and took pleasure in pointing out that Mr Punt's own Association allowed members to be co-opted on to its committee.

Mr Punt and about 150 members later carried on their fight against Nationwide, which has over 3m members. The High Court is deciding on a question of law arising out of one element of his unequal struggle with the society.

GKN to axe Midland iron foundry

By Arthur Smith, Midlands Correspondent

GKN is to close the last of its iron foundries supplying the automotive industry. The company blamed the fall in demand from vehicle makers for the closure of GKN Shotton in Halesowen, West Midlands, with the loss of 265 jobs.

The foundry had lost £1.6m over the last two years and was still unable to trade profitably, the company said. The closure is the latest in a large-scale shakeout of the foundry industry, much of which is still operating at only 60 per cent capacity.

Mr Terry Davies, managing director of the Birmid Quilcast foundries division, said at its annual meeting that the industry expected more foundries to go out of business and that strategic capacity essential for Britain to retain its engineering industry and manufacturing base was at risk.

He said leading companies in the industry had joined to form the Association of Major Castings Manufacturers in order to press home this message to the Government.

London-Inverness air fare less than rail

By Lynton McLean

IT WILL BE CHEAPER to fly between London and Inverness than to take the train from Monday when Dan-Air starts a new low fare service in place of British Airways which today abandons the route.

Dan-Air is to undercut British Rail's £82 second-class return fare by £2 with a lowest return air fare of £80. However, the air fare has to be booked two weeks in advance of travel, while BR's normal ticket has no such restrictions.

British Rail's cheapest regular ticket on the route is the £55 second-class weekend return.

Dan-Air's normal economy return fare of £150—the fare expected to be used by business travellers—compares unfavourably with British Rail's normal first-class return ticket of £123.

However, as Dan-Air pointed out yesterday, its economy return fare is £10 cheaper than the £160 economy fare offered until now by British Airways.

British Airways is withdrawing from the route because of continuing losses on the 62,000 passengers it has carried each year. Dan-Air expects to retain most of these passengers with its lower-priced daily service from London's Heathrow Airport to Inverness and back.

The independent airline also says it expects to attract some of the 300,000 passengers carried by BR on the London to Inverness route each year.

Dan-Air will launch the service on Monday with a 6.40 am flight from Inverness, arriving at Heathrow an hour and a quarter later. The train takes 11 hours, the airline noted.

The first departure from Heathrow will be at 8.55 am each day, and all flights by 1-11 aircraft will also carry freight.

A last opportunity for 1982/83 tax relief under the Business Start-Up Scheme

The Harrogate International Hotel PLC

Issue of 1,750,000 Ordinary shares of £1 each at £1.50 per share payable in full on application.

The Company proposes to develop a new Hotel on a site adjacent to the Harrogate Conference centre.

Subject to the fulfilment of certain conditions, investors should be able to obtain full income tax relief on the cost of their investment as explained in the prospectus, copies of which are available from:

Triventure Limited,
16 Imperial Square,
Cheltenham,
Glos. GL50 1QZ.
Tel: 0242 584380.

Laurence, Prust & Co.,
Basildon House,
7/11 Moorgate,
London EC2R 6AH.
Tel: 01-606 8811.

Albert E. Sharp & Co.,
Edmund House,
12 Newall Street,
Birmingham B3 3ER.
Tel: 021-236 5801.

Full details of the issue are set out in the prospectus. Applications will be accepted only upon the terms and conditions set out in the prospectus.

The closing date for the issue is 5th April 1983.

However, application forms and cheques should be lodged on or before 30th March 1983 to ensure that cheques can be cleared before 5th April.

Nalco issues guidelines on equal opportunities

By Our Labour Editor

A LOCAL authority staff union has called on senior local government officials to stop interviewing candidates for jobs until they have undergone special training in "non-discriminatory" interviewing and "the perception of racism and sexism."

The National and Local Government Officers Association has sent new guidelines on racism and sexism to all its branches. The guidelines urge members to negotiate equal opportunities agreements with authorities in order to end discrimination on the grounds of race or sex.

The union wants authorities to institute a "staff audit" which would identify where positive action was required. The audit would analyse staff

by race and sex, and by grading, qualification and training. The initiative is similar to those recently proposed in a document published for the women's TUC, and to plans adopted by such authorities as the Labour-controlled GLC.

Nalco is a rare example of a union whose members include chief executives as well as low-paid employees. It is, therefore, in a position to put pressure on those with responsibilities for hiring and firing.

The guidelines say that the special training should include the perception of racism or sexism; in many cases such training will require rigorous and radical challenging of assumptions and attitudes.

Bank dispute moves to Acas

By Our Labour Editor

THE DISPUTE between bank employers and banking unions has moved to the Advisory Conciliation and Arbitration Service yesterday. Officials from the Federation of London Clearing Banks held talks at Acas with representatives of the Clearing Banks Union—the smaller of the two major banking unions.

The offer, described in previous talks as final, was not increased. However, both sides have narrowed their differences to concentrate on the increase itself. Talks on the offer, though, could last for some time.

The Banking Insurance and Finance Union, the larger of the two, did not attend at yesterday's Acas talks, but is expected to join in later meetings.

'Interest shown' in job splitting

ONLY 149 applications for grants under the Government's job-splitting scheme have so far been approved—in spite of advertising costing £338,500, Mr Michael Alison, Employment Minister, disclosed in a com-

mone written reply yesterday. The scheme—which has been operable for three months—had, however, attracted 9,000 inquiries and "substantial interest" had been shown in it, according to Mr Alison.

THE WEEK IN THE MARKETS

Currency crisis sets uneasy trends

The critical condition of the European Monetary System gave the London markets a nervous start to the week. News during Monday of an agreement on a realignment of the eight currencies involved brought short lived relief to sterling standing on the outside.

The pound was soon back on its downward path, touching an all time low of \$1.5385 mid-week, amid talk of an upturn in U.S. short-term interest rates, oil price war fears and by-election uncertainty.

But two days later the picture was a little happier. Encouraged by a buoyant Wall Street and a much firmer note emerging from the London markets for both gilts and equities, the FT Industrial Index rallied to finish the week only 0.1 down at 658.9 but sterling remained friendless at \$1.4605 with a tradeweighted average 0.8 lower at 78.1.

Progress for Pru

The 1982 results from the Prudential Corporation, Britain's largest life insurance group, showed net profits up nearly 50 per cent to \$55.6m, comfortably in excess of most forecasts. Yet the results were greeted with mixed feelings by the market.

The increase in the shareholders' portion of life profits, up 16 per cent to \$50.4m, was less than expected. In 1981, Pru's actuary had for the first time brought an element of un-

LONDON

ONLOOKER

realised capital appreciation on assets into his valuation, resulting in a 40 per cent increase in shareholders long-term profits. The market expected a similar increase following last year's strong rise in asset values.

The hopes illustrate that even the stock market experts still do not fully understand the ramifications of an actuarial valuation. Last year's market rise came primarily from the fall in interest rates which affects the value of liabilities as much as it affects assets. In addition, the Pru's actuary would appear to be restricting the growth in bonus allocations to policyholders, and this automatically restricts growth in profit to shareholders.

The pleasant surprise from the Pru was the strong recovery of its general insurance, spearheaded by an exceptional result from Canada—a pre-tax profit of \$9.4m. Thus a near £16m pre-tax loss in 1981 was trimmed to \$7.3m, the losses from the reinsurance subsidiary Mercantile and General being not quite as bad as feared.

The share price reacted favourably to these results and

a 20 per cent increase in dividend. The outlook for the group remains cautiously favourable. Life profits should continue to grow steadily, and the conditions so far this year are more favourable to the general insurance operations.

Cable & Wireless

Cable and Wireless, a name that recalls the pre-war days of the luxury liner telegraph service, this week signalled that it is spending £143m on a near 35 per cent stake in Hong Kong Telephone.

What is now the world's largest international telecommunications operator already generates more than half its profits from its 80 per cent owned offshoot in the colony. The HK Telephone shares are being acquired at HK\$40 each, from Hongkong Land, the property group which bought the shares at up to \$32 each at the end of 1981. At that time HK Telephone had been outperforming the Hong Kong market on the back of rumours of a Cable and Wireless bid.

This week's deal, which is being financed by the issue of 30m new C and W shares and £24m in cash, will make the British group the largest shareholder in a company that in 1980 it was suing for overdue payments related to long distance calls.

Cable and Wireless has a 25 year franchise to provide all international telephone and Telex services in Hong Kong, Kowloon and the New Territories. The dispute arose from an arrangement under which HK Telephone receives 40 per cent of the revenue of the colony's overseas calls. The British company shares the rest with overseas telephone services.

The working relationship between the two companies is likely to remain one of competition in some areas and co-operation in others. But the deal has generated speculation over a possible full bid by Cable and Wireless for the Hong Kong company.

Two years ago the British Government sold almost half of Cable and Wireless to private investors at 165p a share. The new shares have been placed at 398p and reduce the Government's holding from 50 per cent to near 45 per cent. Following announcement of the deal the group's shares slipped 5p to 415p.

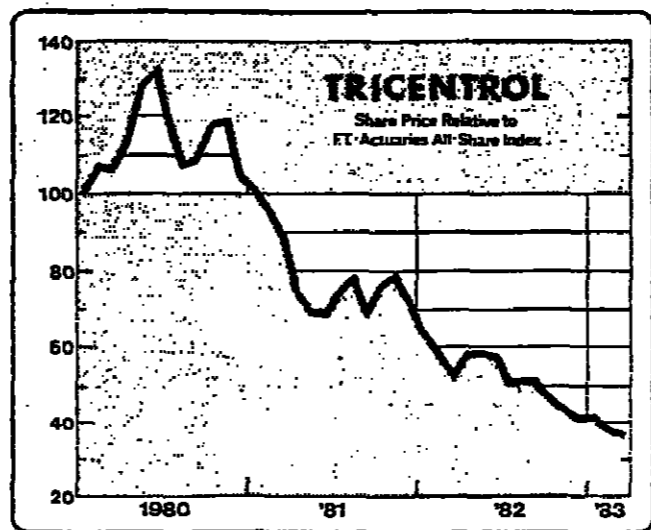
In 1982 HK Telephone raised its net profits by 26 per cent to HK\$272m equivalent to £27.8m. Currently it is trying to persuade the Hong Kong Government, which holds a 20 per cent interest, to vary the statutory limit on its earnings from the present 16 per cent after tax returns on shareholders' funds.

Burton bountiful

The Burton Group bounced through the six months to February in fine fettle, leaving profits before tax 26 per cent higher at £18.1m.

Aggressive management and innovative merchandising helped it increase market share substantially and boost sales by 25 per cent to £127.5m. Burton and Top Man increased their turnover contribution by 24 per cent, while women'swear, including Top Shop, Dorothy Perkins, Evans and Peter Robinson, scored a 26 per cent improvement. All this in an otherwise gloomy period for the clothing retail sector as a whole, where sales increased by less than 6 per cent.

The directors expressed their confidence in a still better performance by lifting the net interim dividend from 2.5p to 3.1p. Burton's present outlook is in marked contrast to the group's former sobriety. The addition of floor space will provide an increasing share of growth after the current year, in which pre-tax profits of at



least £32m look possible.

A strong balance sheet should carry the extra weight of expansion without too much trouble. Cash resources of around £12m will be left intact after this year's 60 per cent increase in capital spending to £27m, which will be funded entirely from cash flow.

Ideally, Burton would like to take on board the kind of deal offered by UDS with the Richard Shops/John Collier chain, rather than acquire the abundant available High Street floorspace in piecemeal fashion. If the UDS deal does come off, Burton's pace should slow a little in the short term, given the effect of financing the £78m expansion agreed with UDS, a working capital injection of £10m and the £40m of capital spending required to upgrade the businesses. But in the medium term, the deal is expected to bring significant profit gains.

Tricentral Jitters

The abrupt midweek resignation of Tricentral's chief executive, Graham Hearn, left investors understandably jittery. And the announcement of the preliminary profit figures, only a day later, appears to have provided little reassurance.

Another diversion from the profit figures came in the form of a hint suggestion from the chairman that Tricentral might make more waves for the British National Oil Corporation (BNOC) by challenging its right to cut North Sea oil prices retroactively and refusing to return the £2 difference between the old BNOC price and the \$30.30 price which the cor-

Prices hold firm

NEW YORK

TERRY BYLAND

WALL STREET succeeded in defying most of its own pundits this week when share prices, instead of turning down into a "correction phase" rose to new peaks, while the credit markets took with barely a grimace the first dose of the much-dreaded U.S. Treasury funding programme.

A fall in the Federal Funds Rate proved timely for markets growing steadily more apprehensive as about the growth of basis money supply and the rumours of a change of monetary stance by the Federal Reserve.

But at mid week, the sun broke through the clouds and the Dow Jones Industrial Average soared by 18 points. Market turnover showed a welcome increase although share trading totals of under 100m a day were still well below the best days. Share buyers were encouraged by falls in short-term interest rates at mid week and by the Labor Department's report of a fall in consumer prices last month.

The debate about Federal Reserve policies is by no means over — one market forecast asked when, not if, the Fed would act. But, for the time being at least, the share market is proving resistant to profit taking, correction phases or whatever cautionary views may be put forward. Its faith in the U.S. economic recovery remains firm and interest rate worries are left on the shelf for the present.

The week saw the end of one stock market experiment when Merrill Lynch, Fenner and Smith decided to stop making a market in certain exchange-listed stocks. It blamed poor technology and "the rules" for slowing down the venture which it began two and a half years ago.

The strength of share prices at mid-week owed something to window dressing operations by the major funds who like to top up their portfolios with the kind of names that managers like to see in the end of quarter report.

All the well-known names featured in this week's rises.

IBM again pushed through the 100 barrier and seemed more firmly placed above it this time. General Electric, Union Carbide and General Motors all joined in the advance.

Shares in American Telephone and Telegraph steadied this week helped by a somewhat more favourable rating of the company's debt securities by Standard and Poor's.

Block trades were reported a number of major stocks at prices which provided some underpinning for the market advance. Technology issues continued to hold up well.

The announcement yesterday of a hefty new issues programme indicated underlying confidence. Last week brought the successful debut in New York of Biogen NV, the Dutch biotechnology firm. Or favoured area was the much-battered farm equipment supply sector, which responded well to the prospect of the Administration's payment-kind programme which, it market believes, will at last put some cash in farmers' pockets.

A major beneficiary was Deere, the machinery manufacturer, and there was also determined buying of shares in Anderson Clayton and Archer-Daniels-Midland, both annual feedstuffs, and Williams Companies, which sell fertilisers.

But, markets being what they are, there were also losers this week. The pharmaceutical industry, which has had a fair share of problems, even the Tylenol scare in Johnson and Johnson, saw shares in Eli Lilly & Co. sharply this week after published criticism of its antibiotic drug Moxalactam. The criticism is a long way from proven yet but antibiotics make up one third of Lilly's sales and the group is still smarting from last year's problems with Orflex, its drug for arthritis.

Equity markets paused for breath again at the end of the week but if present form is a guide, then the much-taunted correction phase may be a long time coming. As long as the U.S. economic recovery remains on track, share prices seem determined to hold firm.

MONDAY 1125.29 + 7.5
TUESDAY 1122.58 + 2.7
WEDNESDAY 1140.87 + 17.5
THURSDAY 1145.90 + 5.0

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1982/83	1982/83	
	Yday	on week	High	Low	
F.T. Ind. Ord. Index	658.9	- 4.1	673.6	518.1	Leaders narrowly mixed
BICC	233	- 27	360	230	Disappointing results
Baltic Leasing	260	+ 35	262	140	Good interim results
Burmah Oil	149	+ 17	160	106	Bid speculation
Carpets Int.	45	+ 12	47	10	U.S. takeover prospects
F.M.C.	52	+ 12	58	28	Milk Board's bid approach
FNFC	45	+ 5	48	30	Broker's circular
Glanis	820	+ 115	820	209	U.S. demand/Int. April 11
Hollins Bros. & E.S.A.	71	+ 10	72	6	Asset injection hopes
London & Liverpool Tst.	480	+ 55	700	39	Proposed Telecel/F.A. deal
Mellins	183	+ 28	246	6	Speculative demand
Phillips Lamps	411	+ 1	411	427	Currency influences
Prudential	400	+ 22	402	219	Excellent results
Refined Brick	330	+ 70	330	170	B.E.T. bid for minority
Sheffield Brick	32	+ 7	45	16	Lomaflight cash injection
Trident TV A	101	+ 11	101	55	Bid approach
UDS	132	+ 9	133	54	Bid battle
Vickers	137	+ 9	171	77	Royal Navy contract
Vitacorn N.Y.	60	+ 16	75	20	Bid speculation
Waring & Gillow	135	+ 40	145	67	Bid approach

Sons of the Sons of Gwalia

HERBERT C. HOOVER, 32nd President of the U.S. and original manager of the Sons of Gwalia gold mine near Leonora in Western Australia's Eastern Goldfields would have been greatly intrigued at the new gold rush which is revitalising the old mining camp.

He might also have regarded with mixed feelings this week's news of plans to extract the remaining gold from the old mine's tailings, or waste, dumps; no mine manager cares to think that any gold has been thrown away, but recovery methods were fairly primitive back in 1896 when Sons of Gwalia started up.

Gold was discovered in the area by three prospectors who were grubstaked by Tommy Tobias, a Welshman who kept a store in Coolgardie. The Sons of Gwalia mine produced 2.5m ounces of gold between then and 1982 when low gold prices forced its closure.

Whether it still contains enough gold to be sufficiently high grade to justify opening up the mine is a moot point, but the more recently formed Hawke Mining, which has changed its name to Sons of Gwalia, intends to have a look at the old workings.

It is much more interested, however, in reworking the old dumps, which contain some 6m tonnes of material grading an average 1.2 grammes gold per tonne, and in developing an open-pit mine in the area where drilling has so far indicated proven, and probable, ore reserves of 1.55m tonnes grading 3.21 grammes gold.

The idea is that the dumps will provide an early cash flow while the open-pit is being developed. The latter could have exciting possibilities, being in part of a much bigger area where a cover of soil and weathered rock concealed gold deposits from the old-time prospectors.

Nor has it gone unnoticed that CRA and Esso are busily prospecting on either side of the company's ground. In fact, the theory is that this hitherto hidden goldfield in a belt running for 700 kilometres from Wiluna in the south to Norseman in the north could hold for the last prospecting companies as many as ten open-pit mining propositions capable in due course of doubling Australia's current gold annual output of some 615,000 oz.

Meanwhile, Sons of Gwalia plans to raise a modest A\$2.5m (£1.48m) via a public offer next month of 10m shares at par, or 25 cents (about 15p). These funds will allow the company to get cracking on a four-year programme on 1m tonnes of dump material which grades

1.76 grammes gold per tonne and which is a paying proposition at gold prices above US\$225 per ounce.

After the issue the company will have sufficient capital for a year ahead, during which time cash will be generated by the dumps operation, and it will also be free of debt.

A listing is to be sought for the new shares. The publicly quoted Hawke Investments, which provided the present Sons of Gwalia with its gold mining leases will retain 27 per cent of the capital.

South Africa's Rustenburg Platinum Holdings has done

MINING

KENNETH MARSTON

remarkably well in the six months to February 28 against a background of a continuing depressed market for platinum. After all, it was as recently as the end of November last year that Mr Gordon Waddell, the chairman, warned that the outlook was still bleak.

To be fair he later said in January this year that operating profits for the six months to end-February should be better than the R32.4m (£20.3m) made in the second half of the company's full year to August 31 1982. In the event they have risen to R66.8m which is also better than the R53.3m earned in the first half of 1981-82.

Rustenburg is now changing its financial year-end from August 31 to June 30 which means, of course, that the second-half results will cover a period of only four months. For the full 10 months to June 30 next the company estimates that operating profits will still "significantly" exceed the R85.8m earned in the previous 12 months to last August.

Until January this year Rustenburg officially based its sales on the producer platinum price of \$475 per ounce which had ruled since August 1980. The price on the free market had been much lower for much of the time but it roared up, on the back of gold, to the producer level in January. It is now around \$385.

Rustenburg says, however, that a factor in the latest improvement in profits was better prices for platinum. Because the producer price remained unchanged in the period, it seems that the company must have been offering some customers large discounts

which later narrowed as the free market prices recovered.

It is also possible that some profitable dealings were carried out in the metal on the futures markets. At all events, the important thing is that Rustenburg appears to have turned the corner and, after some earlier doubts, the 35 cents annual dividend rate is likely to be maintained.

Latest news from the exciting Hemlo area gold exploration rush in north-western Ontario is that Noranda is pressing on with the drilling there and has let a contract for shaft-sinking at the big Golden Giant deposit. Despite the dispute with the Lac Minerals group over some key claims a Noranda official has said that it will go ahead, "as long as we are able and it looks as though that is a long way".

Australia's MIM Holdings is looking to the prospects of the market in Asia for its rising production of lead as a result of the expansion programme.

Part of the crude lead output from the big mining complex in Queensland is to be refined in Japan and then marketed in Asian countries via a Singapore-based subsidiary.

I hear that the prospectus of Greenwich Resources, the new world-wide mining and development arm of the long established Robertson Research petroleum and mining consultancy organisation is likely to be given the necessary approval by the Canadian authorities next week.

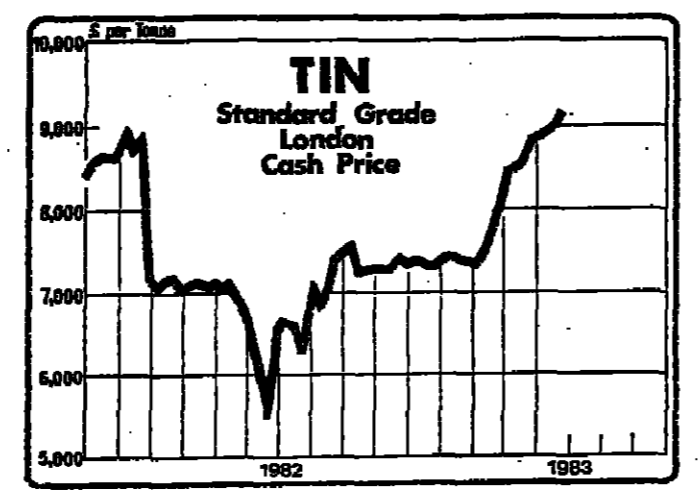
Funds of some C\$10m (£5.57m) are to be raised by Greenwich in a public issue of 4m units at about C\$2.50 (139p) each. They will comprise one common share plus a warrant to buy half a further common share.

Two warrants will thus allow the purchase of one common share at a price of about C\$3 within 12 months. Dealings in Greenwich Resources are expected to begin after Easter.

TIN OUTPUTS COMPARED

	Feb 1983	Jan 1983	Total to date (months)	Same period previous year
	tonnes	tonnes	tonnes	tonnes
Anal of Nigeria (colombite) ...	+	+	25 (6)	50
Anal of Nigeria (tin) ...	+	+	630 (7)	970
Aokam ...	114	99	759 (8)	891
Ayer Hitam ...	94	68	764 (8)	1,209
Berjanting ...	173	210	2,651 (10)	2,992
CRM Sri Timah ...	+	+	N/A (2)	128
Geopeng ...	661	701	6,043 (11)	7,122
Gopeng ...	114	143	1,191 (8)	733
Kinta Kelas ...	271	301	3,651 (11)	4,211
Malayan ...	454	557	4,125 (8)	5,574
Pahang ...	+	+	228 (4)	358
Petaling ...	184	121	596 (4)	370
Rahman ...	82	81	601 (8)	866
South Croft ...	+	+	1,033 (8)	854
Sungei Besi ...	44	44	755 (11)	826
Tanjong ...	31	31	91 (2)	32
Tongkah Harbour ...	57	45	287 (8)	294
Treoh ...	36	32	68 (2)	78

* Figures include low-grade material. † Not yet available. ‡ Tin metal in concentrates. Outputs are shown in metric tonnes of tin concentrates. § Shut down because of tin export controls.



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3. Share prices are still at attractive levels.
4. The Mercury American Growth Fund offers you a flexible portfolio and the investment expertise of Warburgs, one of the City's leading fund managers.

MERCURY AMERICAN GROWTH FUND

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The size and strength of the United States economy, combined with the diversity of its publicly-quoted companies, offer growth opportunities to the private investor. Mercury Fund Managers believe that the opportunities for investment in America remain promising.

Inflation in the United States has been considerably reduced, there is scope for further falls in interest rates and the prospects are good for economic recovery and improved corporate profits. In addition, the stock market is still modestly valued by historic and international standards and liquidity in both private and institutional hands is at high levels.

The Fund's Objective

The Fund's objective is to maximise long-term capital growth through investment in the stocks and shares of United States (and, when appropriate, Canadian) companies. In order to realise this objective, the Managers seek to identify undervalued investments offering the probability of above average returns while minimising risk.

Performance

The Fund, launched in December last year, has a portfolio small enough to be flexible. In the eleven weeks from the close of the initial offer to 21st March, 1983, the offer price of units increased by 28.4 per cent, compared with a sterling adjusted rise of 16.4 per cent in the Dow Jones Industrial Average and a similarly adjusted rise of 16.1 per cent in the more broadly based Standard and Poor's Composite Index.

General Information

The minimum fund investment is 10p, or 10p and 10p in £100. The minimum investment may be made in increments of at least £100. Units may be purchased or sold by 4.00pm on business days. Units are not redeemable until the 10th business day after the date of application. The Daily Telegraph will publish a list of the names of the units held by the fund.

Management charges: an annual management charge of 5% is included in the offer price of units. The annual management charge is 4% of the value of the Fund, which is deducted from the income of the Fund. On giving three months' notice the Managers will be permitted to increase this charge to a maximum of 11% (plus VAT). The Managers are entitled to a rounding adjustment included in the bid and offer prices of up to Four (4)p, whichever is the less.

Income net of basic rate tax is distributed to holders of distribution units half-yearly on 15th June and 15th December, commencing on 15th June, 1983. The Managers also offer accumulation units.

Units on the portfolio as at 21st March, 1983 the estimated gross yield was 0.7% per annum.

The Managers are Mercury Fund Managers Ltd. (MFM), a subsidiary of S.G. Warburg & Co. Ltd. MFM is a member of the Unit Trust Association. The Trustee is Williams & Glyn's Bank plc. The Fund is a UK Authorised Unit Trust and a "widerange" investment under the Trustee Investments Act, 1960.

Currently, the Fund is concentrated in fewer than 25 shares of companies in the retail, technological, financial services and medical care areas, for which strong earnings growth is predicted over the next few years. However, the Fund is not restricted to stocks of this type and, if investment conditions alter, the portfolio will be changed—if necessary, substantially—to reflect the new circumstances.

The price of units, and the income from them can go down as well as up.

The Managers

Mercury Fund Managers is a subsidiary of Warburg Investment Management, whose parent company is S.G. Warburg & Co. Ltd., one of the leading merchant banks in the City of London. Warburgs has over £4,500 million of funds under management and Mercury American Growth Fund is managed by the team responsible for its investments in the United States.

To invest in Mercury American Growth Fund, simply send the coupon with a cheque (minimum investment £1,000) to the address shown.

MERCURY

Mercury Fund Managers—part of S.G. Warburg & Co. Ltd.

To: Mercury Fund Managers Ltd., 30 Gresham Street, London EC2P 2EB.

(Request to be registered in Unit Trust 1983)

I wish to purchase a number of "distribution" units in Mercury American Growth Fund to the value of

£

(Minimum initial investment £1,000) at the offer price ruling on receipt of my application.

A cheque made payable to Mercury Fund Managers Ltd. is enclosed.

I wish to declare that I am, or was, over 18 years of age.

BLOCK CAPITALS, PLEASE

Signature (Mr, Mrs, Miss, Title)

Forwards in full

Address

Post Code

(Payments and correspondence will be sent to the address unless you specify otherwise)

Signature Date

(In the case of joint applications, all must sign on a separate piece of paper)

This offer is not open to residents of the Republic of Ireland.

*Please delete appropriate entries on distribution units will be allocated.

YOUR SAVINGS AND INVESTMENTS-1

Rosemary Burr reports on where to buy shares.

Warmer north of Watford

NOBODY LIKES being charged twice for a product or service so the news this week that Barclays Bank is considering putting a surcharge on shares bought via the bank is likely to lead to customers rushing for the door.

Barclays Bank says it is considering introducing a £5 fee on deals worth less than £1,500 in order to make these transactions profitable. So far no firm decision has been reached but the three other major clearers say they have no plans to introduce charges.

At the moment banks do not charge customers for buying shares so it is no more expensive than approaching a broker directly. The banks get paid 25 per cent of the brokers' commission for introducing the business and doing a certain amount of paperwork.

Other agents such as accountants also get a slice of the commission if they introduce clients. However, unlike banks, these agents do not share in the first £12.50 of commission. It is therefore not worthwhile for most agents to pass on small investors to stockbrokers.

The reaction to Barclays' proposal among the investment community has been mixed. Graham Mann, a partner at City brokers Greaves Grant, says: "My initial feeling is that here is public recognition that people don't make too much

money out of small bargains."

Other brokers expressed amazement and some were even outraged. Most, however, rubbed their hands at the prospect of more business coming their way. Several went so far as to argue that they saw no good reason for anyone buying shares through their bank. "Customers end up paying for advice they don't get," argues one broker.

In fact there is no way of knowing just how much commission you will pay on a bargain of less than £300 when the business is conducted through a bank. Although the Stock Exchange sets commission rates it is up to individual brokers to decide how much they charge small clients whose deals fall beneath £300.

There is a wide variety of charges with many provincial brokers providing their services for a single figure sum while the minimum cost from most City firms is in the £12 to £15 range.

A further complication for bank customers is that some brokers who derive a large proportion of their business from banks may offer special cut-price rates on small deals as a sweetener to attract other business. So the message is if you choose a bank, do try to find out how much commission you will be charged. Try to shop around and compare the rates and services of several brokers.

If you are a small investor beware: the warmth of the reception you receive probably grows in proportion to the distance from the City.

Most provincial brokers welcome small clients, even those dabbling with £100. Terry Brewster, a partner in Roy James and Co of Birmingham, says: "We never turn away a client because of size."

The majority of the company's business is private clients unlike most of the City firms which make a living by catering for the big institutions. Roy James and Co charge £7 on a transaction between £100 and £300 and £4 on deals between £25 and £100. Their clients come from around the country including London and the South East.

Lower rents, rates and smaller research staff usually enable provincial brokers to cover their costs on small deals easily while the City slickers find this type of business unprofitable.

Brian Bibby, the partner who deals with finance at Manchester brokers, Henry Cook Lumsden, says "obviously expenses are lower in the provinces—certainly rents and rates." The firm charges £5 on deals beneath £50, £8 on those of £50 to £100 and £10 on those between £100 and £300.

But is this merely a case of clients getting what they pay



for? Undoubtedly not all provincial brokers can buy or sell shares at the most favourable rates on the Stock Exchange floor, although some get round this by direct links with jobbers.

Also unlike the large City brokers country firms do not have armies of researchers. Against this they are more likely to provide a personal service and be particularly suitable to the small punter who wants

to make up his own mind while enjoying dealing actively.

In the meantime Barclays says no decision on the introduction of the surcharge has been made, so it is up to bank customers to make their feelings heard at head office. Of course, the bank may be prepared for crowds of disgruntled customers, but surely it does not want to hand over its business to the other clearers on a plate.

The £137,000 question

THE RECENT tragic death of merchant banker, Sir Trevor Dawson, who killed himself only hours before £137,500 worth of life insurance policies expired has raised the interesting question of the circumstances under which life companies pay out in the event of a violent death.

The case where the life assured is murdered by a person who stands to gain from the life insurance is clear cut. It is against public policy for a criminal to benefit from the proceeds of his crime.

Thus a life company would give very serious consideration before paying a claim where a wife killed her husband for the life insurance proceeds.

One effect of the growth of company pensions and life insurance is that many of us are now worth far more dead than alive.

The only exceptions to this occur if the policy is under trust to say children, or is assigned, so that someone else receives the benefit of the life insurance.

The position is somewhat different where the death is regarded as suicide. For since the 1981 Suicides Bill, suicide is no longer a criminal offence. So while life companies do put



Sir Trevor Dawson

suicide clauses in their life policies stating that the policy is null should death occur by suicide during the first 13 months. This unusual period is to ensure that at least one monthly premium in the second policy year has been paid and there is 30 days grace in paying premiums.

These life companies would

find it very difficult not to pay out if suicide occurred after the 13 months, unless there was strong evidence of non-disclosure in the proposal form.

Those companies without a suicide clause have to take into account the public policy of rebating the claim on the grounds that the life assured had destroyed the subject matter of the contract.

This formed part of the dicta of the classic case of *Beresford v Royal Insurance*, where a Major Beresford committed suicide in a taxi in 1934 having drawn the taxi-driver's attention to the time by Big Ben prior to shooting himself.

Having said this, at the end of the day life companies usually pay on suicides. The main reason for not paying is not the fact of suicide, but the tort or financial problems in the original proposal.

This happened in the case of a farmer, D. J. Horwood, who insured himself for nearly £1m with Royal Insurance and died of gunshot wounds. He was heavily in debt at the time of taking out the proposal, but failed to disclose this when asked at the time.

Eric Short

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Liabilities of residents

Our residents association has acquired a petrol-driven lawnmower which we propose to loan to members on payment of a nominal fee, receipts to be used to defray the running and maintenance costs we incur. We also have it in mind to buy ladders or scaffolding frames for loan to members in the same way. Could you please advise us on the steps we should take in relation to the insurance and legal liability aspects of what we propose?

You would be wise to consult an insurance broker, since there are a number of potential areas in which claims could arise. You may find that a public liability policy coupled with express contractual disclaimer of liability to the borrowing members (in a contract signed by them) will be as much as you can achieve without a prohibitive outlay in premiums. You may also need to obtain members' express agreement not to allow any person other than the member to use the items hired out.

Valuables in safe-keeping

Could you tell me please if a bank goes into liquidation, has the receiver in, is suspended or generally falls over, what is the strict legal position regarding my box containing valuables kept for security reasons in my local branch? While the various disasters which you mention have different legal consequences, in all cases they would not affect your box of valuables if by security you mean safe-keeping rather than as a security for a loan. The box kept for safe-keeping is not an asset of the bank and has to be returned to you, though you may be required first to pay any charges incurred for the safe-keeping of the box.

these complications. Can you make any suggestions?

Yes, you can open another deposit account straight away. The 1982-83 assessment will be amended to the amount of interest actually credited in 1982-83 (on each of the two) the 1981-82 assessment will consequently be increased to £3,884. For the future, you could either close (and open) accounts every four (or five) years or insist on the case III assessments being made upon the statutory basis (as confirmed in *Hart v Sangster*), with each deposit and each withdrawal being treated separately.

A surviving trustee

I was interested in your reply (February 26) under the heading *A Surviving Trustee*, where you indicated that "Stock transfer forms would not be necessary". What other procedure do you suggest, please, to ensure that dividends etc. are issued in the correct names and, more importantly, in the event of the death of one trustee, to ensure that the new, surviving trustee

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

A transfer of chattels

I should like to make over some furniture to my sons—as per your reply of January 22—under transactions as a sham. Could you please advise me how formal this transfer has to be? Is it sufficient for me to write this out, and if so what should the wording be? Should it be witnessed? It is planned that I should continue use of the property until perhaps I move into a smaller house. (The chattels will all be old family "heirlooms"). In the case of a picture worth more than £3,000 can I make out a share each year—i.e. if £12,000 is the value then can I give this over the course of four years?

Provided the chattels are your own unencumbered property (ie not strictly heirlooms) all that is necessary is some record of the gift. A written declaration simply recording that the gift was made on a stated date is enough—though it may be prudent to have it witnessed by someone who is not a donee. It is also essential that the gift be made by actually handing over physically some chattel or symbol of control of the chattel. We are doubtful about your suggestion as to the picture, unless it is put into a trust fund as an asset and an interest in the trust fund is transferred instead.

Non-residents tax

I returned to live in the UK on June 30 1982 after having lived abroad for eight years during which I was classified as a "Not Resident and not ordinarily Resident." I recently received a letter from the Inspector of Taxes advising me that he will be raising an assessment on my bank and Treasury Stock interest (paid without deduction of tax) for the year ended April 5 1982.

I am clear about the bank interest but I had always assumed that the interest from exempt Treasury Stock would not give rise to any tax charge retrospectively. May I have your comments?

It is a pity you did not give us more precise facts and figures, including the name of the country you lived in (because the double taxation agreement with that country may help you, if there is one). On the bare facts, all we can do is to advise you to appeal against the proposed assessment, on the grounds that you are entitled to exemption (under section 99 of the Income and Corporation Taxes Act 1970) in respect of all interest paid on your Treasury Stock before you became ordinarily resident in the UK once again.

Indexation of CGT

1.—In 1960 I became the owner of some real property. Last November I sold the property which has made me liable for capital gains tax. Last year they introduced a RPI which could be used in assessing its value at the time of sale. Can you kindly advise me of any claim under these rules to reduce my tax liability?

2.—In November 1982 I sold shares making a gain of £5,862 over the 1965 Value. Can you please advise me how the gain is affected by index allowance? What is the calculation?

Your indexation allowance will be 41 per mille of the cost of the property. Time-apportionment is applied to the net gain, after reducing it by the indexation allowance.

We take it that you mean that the sale contract was signed in November. However, if you were referring to the completion date, and the contract was actually signed in an earlier month, the rate per mille will be less than 41.

Complete month: Apr May Jun Jul/Aug Sep Oct
(over mille): 20 27 30 31 30 35

You simply reduce the gain (£5,862) by 41 per mille of the 1965 value.

Complaints about bonfires

With reference to your reply under "Complaints about bonfires" (December 11, 1982), I have checked relevant legislation, or what is apparently relevant e.g. the Clean Air Act and the Control of Pollution Act. In so doing I came across the Public Health (Recurring Nuisances) Act 1936, and it occurs to me that complaints about bonfires and/or official action relating to them might be

Interest not taxed

An assessment of untaxed interest on me was as follows:
1st year 1979/80—Actual interest £715
2nd year 1980-81—Actual interest £2,735
3rd year 1981-82—Previous years £2,094
The actual interest in 1982-83 will be £900 so my income for 1982-83 will be overstated by £3,084 which will be taxed at 55 per cent.

In an attempt to improve things I closed the deposit account and asked for the year 1982-83 to be treated as the year of cessation. This is inconvenient to me as I need a deposit account.

Could I open another deposit account immediately? I would in fact prefer a deposit account where the tax is deducted at source and avoid

BUILDING SOCIETY RATES

Deposit rate %	Share accounts %	Sub'pn shares %	Others %
Abbey National	6.00	6.25	7.50
Ald to Thrift	7.00	7.25	—
Alliance	6.00	6.25	7.75
Anglia	6.00	6.25	7.25
Birmingham and Bridgwater	6.00	6.25	7.75
Bradford and Bingley	5.75	6.25	7.25
Britannia	6.00	6.25	7.25
Cardiff	6.00	7.00	7.75
Catholic	—	7.50	—
Century (Edinburgh)	6.00	6.50	7.50
Chelsea	6.00	6.25	7.25
Cheltenham and Gloucester	6.00	6.25	7.25
Citizens Regency	6.00	6.50	8.00
City of London (The)	6.25	6.50	7.50
Coventry Economic	6.00	6.25	7.50
Derbyshire	6.00	6.25	7.50
Greenwich	6.00	6.50	7.75
Guardian	6.00	6.50	—
Halifax	6.00	6.25	7.25
Heart of England	6.00	6.25	7.50
Hemel Hempstead	6.00	6.25	7.50
Hendon	6.50	7.25	—
Lambeth	6.00	6.50	7.75
Leamington Spa	6.10	6.35	6.60
Leeds and Holbeck	6.00	6.25	7.50
Leeds Permanent	6.00	6.25	7.25
Leicester	6.00	6.25	7.25
London Grosvenor	6.00	6.60	8.50
London Permanent	6.00	6.75	—
Midshires	6.00	6.25	7.50
Morlington	6.50	7.30	—
National Counties	6.25	6.55	7.55
National and Provincial	6.00	6.25	7.25
Nationwide	6.00	6.25	7.25
Newcastle	6.00	6.25	7.50
New Cross	6.75	7.00	—
Northern Rock	6.00	6.25	7.50
Norwich	6.00	6.25	7.50
Paddington	5.75	6.75	8.25
Peckham	6.75	7.00	—
Portsmouth	6.00	6.25	7.75
Portsmouth	6.35	6.55	8.05
Property Owners	6.25	6.75	7.50
Scarborough	6.00	6.25	7.50
Skipiton	6.00	6.25	7.50
Sussex County	6.15	6.40	8.15
Sussex Mutual	6.25	6.50	8.00
Thrift	6.15	7.15	—
Town and Country	6.00	6.25	7.50
Wessex	6.25	7.30	—
Woolwich	6.00	6.25	7.25
Yorkshire	6.00	6.25	7.25
formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25

THE ALLIANCE TRUST PLC

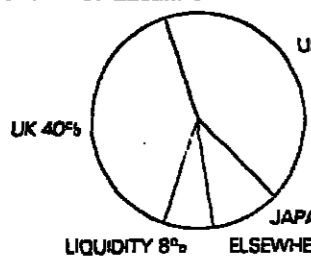
RECORD EARNINGS & ASSETS

RESULTS FOR THE YEAR TO 31ST JANUARY 1983

Per 25p Ordinary Stock Unit		Change on 1982
Net Asset Value	560.1p	+40%
Earnings	12.70p	+9%
Dividends	12.30p	+9%

- Net Asset Value increased by 40% compared with an average for all investment trusts of 27% as published by The Association of Investment Trust Companies.
- The Valuation of Assets rose by £80 million to £292 million.
- £19 million additional investment in overseas equities and currencies financed by sale of UK equities.
- Investment policy emphasises self-financing industries and companies with above-average growth prospects and strongest balance sheets.

DISTRIBUTION OF £292m OF ASSETS



For a copy of the Report and Accounts, please return to The Secretary, The Alliance Trust PLC, 64 Reform Street, Dundee, DD1 1TJ.

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Address _____

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Gold has been man's premier store of value throughout recorded history.

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Krugerrands are the most internationally accepted way for private investors to hold gold. There are 4 sizes, containing 1oz, 1/2oz, 1/4oz or 1/10oz of fine gold—in 22 carat form for greater durability.

Buying and selling Krugerrands is a simple transaction through thousands of High Street banks, stockbrokers and coin dealers.

If you wish to buy Krugerrands in the UK, 15% VAT is normally payable. Alternatively, you can buy and store Krugerrands in countries which do not apply VAT—for example Luxembourg and the Channel Islands—or which exempt UK investors.

Year	1979	1980	1981	1982	1983
1oz	127.1	127.1	127.1	127.1	127.1
1/2oz	63.5	63.5	63.5	63.5	63.5
1/4oz	31.8	31.8	31.8	31.8	31.8
1/10oz	12.7	12.7	12.7	12.7	12.7

Phone Teledata 101-200 0200 for the names and dealing procedures of your nearest distributors, and approximate retail prices of all Krugerrands.

For a more thorough briefing, the International Gold Corporation have prepared a comprehensive 70-page publication, *The Krugerrand Directory*, with a 24-page supplement, *How to Buy, Hold and Sell Krugerrands Abroad*. To order your free copy simply fill in the coupon.



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Address _____
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Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 8.4.83 are fixed for the terms shown:

Term (years)	3	4	5	6	7	8	9	10
Interest %	10 1/4	10 3/4	11	11 1/4	11 1/2	11 3/4	12	12 1/4

Deposits in sterling further information from the Treasury Finance for Industry plc (100 Victoria Road, London SE1 0JZ) (01-423 7822 Ext. 367). Cheques payable to "Bank of England, s/o FFI". Finance for Industry plc.

Today's Rates 10 1/4% - 12 1/4%

YOUR SAVINGS AND INVESTMENTS-2

What to look for when choosing a unit trust... a report by Rosemary Burr

Specialist funds: the risk factor

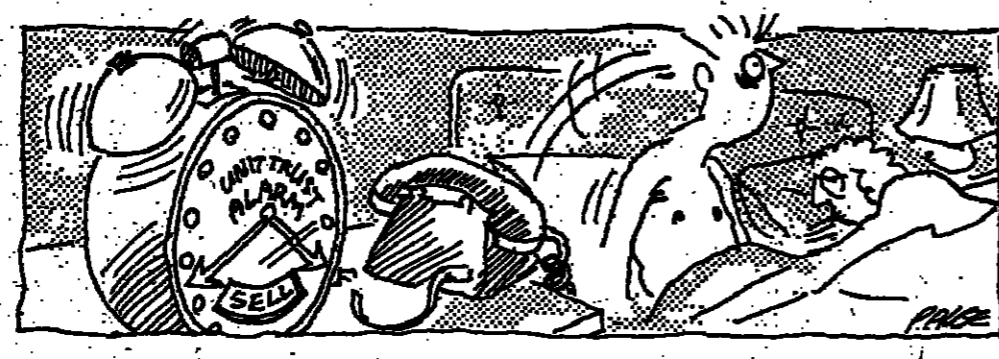
INVESTORS are bombarded by advertisements and promotional literature through the post purporting to offer them the key to a small fortune. For the individual without access to expensive professional advice this diversity of investment opportunities can turn out to be a minefield.

The vast majority of these advertisements are for specialist investment vehicles. This is because highly specialised areas tend to be more volatile than, say, a general spread of equities and with this volatility can come higher than average returns. The trouble is that what goes up fast can fall just as swiftly.

January's performance figures for unit trusts provide an excellent example of this trend. Several Australian trusts have risen by around 20 per cent in January alone - according to Money Management. However, investors who had placed £1,000 in some of these Australian funds a year ago would be showing a small loss in money terms and nearly 9 per cent loss if adjusted for inflation.

As Mark St Giles, chairman of the Unit Trust Association (UTA), explains: "In overseas funds there are two elements that can move the price - currency and market trends. Currency has been a major factor in recent years. It has tended to work in investors' favour as the pound has been declining, but in 1980-81 sterling was rising very strongly."

So shareholders who opt for overseas markets have to keep



a close eye not only on the international foreign exchange markets but the particular stock market they have chosen. As St Giles points out: "The two factors don't necessarily work in synchronisation. As a consequence trading has a tendency to be more volatile."

The problem of choosing a unit trust is particularly acute with more than 500 trusts, many of which are specialised funds. Despite the almost universal move in the industry towards launching and promoting specialised funds about 69 per cent of the total of £8.7bn under management remains in general funds according to the UTA.

Even a comparatively new group like Henderson - which has a stable of highly specialised funds and markets, these almost exclusively through intermediaries - still has about half its near £500m under management in general funds.

However, general funds are rarely advertised, so investors scouring the media for best

buys are likely to have their attention caught by details of the latest fad in specialisation. This raises the question of who should opt for a specialised fund? Tony Daggart, marketing director of Save and Prosper, says: "The kind of person who invests in a specialised fund should be someone who is prepared to be active, prepared to switch, rather than someone simply putting money away."

If you opt for a specialist fund, it requires constant attention and sometimes strong nerves as you ride out the peaks and troughs often associated with commodities, gold or international trusts. For most people without the time or inclination to follow overseas markets a sound professional adviser who you can rely on to switch when necessary is essential for peace of mind.

If you do decide to place some of your funds in a specialist trust it is best to restrict the percentage unless you are prepared to gamble all your savings. Opinions obviously

differ on the how much it is appropriate to place in specialised funds. Britannia's managing director Stuart Goldsmith argues: "Specialised funds should only form part of your portfolio. Do not have more than 5 per cent in highly volatile markets like Australia and Hong Kong."

Not all groups favour the trend towards specialisation and some claim that the majority of their trusts are general funds. Perpetual and Framlington are two such groups, both of which boast impressive performance figures.

Framlington's Tim Miller feels: "The very essence of a unit trust is to provide a spread. I think this matter of spread is very important for the protection of unit holders. None of ours are specialist in the narrow sense. The most specialist are the two recovery funds."

This question of degrees of specialisation is intriguing. Last year the Unit Trust Association considered a scheme by which

an academic would analyse the five-year track record of each trust and rate its level of risk by a star system. This was shelved after being attacked in the Press as theoretically unsound.

However, there are still some fund managers who feel the public is entitled to more guidance on this issue. At the moment under UTA regulations managers must say that the price of units, and the income from them, can go down as well as up. In addition, a further health warning is required on commodity funds.

The UTA's Tony Smith explains that such funds are required to add that the returns can be volatile and the fund should not form the whole of a client's investment portfolio. Gartmore have gone rather further and put a similar caveat in their ads for gold, Hong Kong and Australia. It would be a good idea if the UTA insisted that this was standard practice in the industry.

Adrian Collins at Gartmore would like to see the UTA introduce a new scheme of judging the volatility of the market rather than the fund. Under this system all Hong Kong funds, for example, would carry a warning of high volatility.

For the present, it is up to individuals to make their own assessments. By carefully constructing a portfolio including specialist funds it should be possible to get the best of both worlds. But do remember that unit trust groups never advertise when it is time to sell.

MORE PROBLEMS for UK investors who stuck their necks out and invested in bonds marketed by offshore insurance companies.

Hot on the heels of the Signal Life troubles comes news that bondholders holding certain Energy Bonds marketed by Cavendish Life have not received their first interest payments. Like Signal Life, Cavendish Life is registered in Gibraltar. It was originally owned by Oxford Marketing and Trading registered in the Bahamas under Patrick Di Carlo. Its products were marketed in the UK through Cavendish Life Assurance Services (UK).

In October 1981, the company launched a new series of Energy Bonds - the Cavendish Energy Bond. This was an income bond that offered a basic return of 12 1/2 per cent per annum with a return of capital at the end of the five year life of the bond.

The investment policy was that of Cavendish Life would purchase UK medium dated gilts to assure the return of capital. Funds not committed to the gilt portfolio would be invested in Parkford Petroleum Inc. Money would be in pro-

More trouble on the Rock

ducing oil wells, not used for exploration. The trustees to the bond are the Hongkong and Shanghai Bank Trustee (Jersey), which was also trustee for the Signal Life Gold Bonds.

The interest was paid annually in the arrears, so the first payments were due in November 1982. No such payments have taken place. What has happened?

Mr Graham Richardson, managing director of the trust company, confirmed that the bank has not received any payments from Parkford Petroleum and thus has not been able to make the interest payments. But what has happened to the gilt holdings? Surely there is interest payments from these assets?

The Bond investment clauses gave Cavendish Life the right to sell the gilts and invest the money in proven oil reserves which on an independent valuation had a market value of at least 175 per cent of the gilt sold. Mr Richardson confirmed that

such a transaction took place in August 1982 following the procedure laid down in the investment policy. Bondholders may well feel amazed at such a transaction going through. The original literature on the Energy Bond started its forecasts on an oil price of US\$60 a barrel. Oil prices are now US\$29 a barrel.

It is difficult to judge this investment action now when one has the benefit of hindsight. But even last August the news from Opec and the oil producing industry would have urged caution on such a switch.

But this is not the end. There have been changes in ownership of Cavendish and changes in management. Mr Richardson believed that the life company is still owned by Oxford Marketing and Trading under Patrick Di Carlo. Mr Roy Benham of Overseas Underwriters who were appointed managers is not certain.

There is also a question mark over Parkford Petroleum and who is actually running the company at present.

Mr Richardson has recently received a letter advising the trustee that Parkford is seeking reorganisation under the Federal Bankruptcy Statutes - The last annual report of Parkford filed with the Securities and Exchange Commission in February 1982 for the year ending September 30, 1981 listed nearly 11,500 shares issued owned by a series of individuals and companies, including Cavendish Life and Patrick Di Carlo. Mr Richardson believes that Cavendish is still a shareholder, but that Di Carlo may have sold out to Capital Star Petroleum Inc of California.

The New York office of the Financial Times contacted the American Petroleum Institute and it had no knowledge of Parkford. The listed number of Parkford in Newport Beach, California was answered by a girl operating a telephone answering service and informed that Parkford had changed its name to Prairie Oil - one of its subsidiaries. Further contact has proved difficult.

The story so far has a frightening similarity to the events of Signal Life and its Gold Bond. So what are the trustees doing? It has appointed U.S. lawyers in Oklahoma, where Parkford's main operations are situated and in California, where Parkford has its administration offices. The trustees hold the promissory notes and the UCC (which give the entitlement to the oil produced) and have arranged for the land and the oil assets to be revalued by an independent valuer. This report should be due soon and it may show just how bad Parkford has been hit by the recession in oil prices.

Bondholders are entitled to ask the trustee about the security of their interest payments and why the trustee did not discourage the investment switch. Mr Richardson points out that the trustee has not made a guarantee. The Bond is not a guaranteed income bond. Cavendish Life used the word "assured" to describe the income payments. To the average Bondholder this is more semantics. Mr Richardson also emphasises that the changeover was made in accordance with the terms of the Bond and the Act.

Luck of the Irish

IN THE WORDS OF an investment manager only the Irish could choose this week to launch a currency fund. While the European Community finance ministers struggled to realign the European currencies and sterling was continuing on its downward slide John Conway of the Investment Bank of Ireland was announcing an international currency fund.

This offering from the merchant banking arm of the Bank of Ireland, is the first such fund to be launched by an Irish financial institution. The format is the now familiar offer for subscription of participating redeemable preference shares in four major currencies of U.S. dollars, D-Marks, yen and sterling and a managed fund. Though denominated at U.S. 1 cent each the shares will cost the investor £10 each, or its equivalent, with the minimum entry cost at £5,000 for the currency shares and £1,000 for the managed shares.

Applications cannot be made in Irish punts. But as the fund qualifies as a security it is likely to attract some sizable investment from Irish citizens who cannot leave money in an ordinary deposit account overseas.

The offer opened on Tuesday with some £4m already committed, and closed yesterday after which further shares can be purchased through the IBI Managers on the Isle of Man. With up to 50m shares on offer there is little chance of a shortage as at the offer rate they would represent a total of £500m: a not insignificant sum in terms of the Irish Republic's economy.

Monies raised will be invested mainly in deposit and money market instruments maturing normally within six months. As with all currency funds the aim is to maximise gains from the best interest rates while taking advantage of currency movements.

trustees were not aware that the changeover would have been detrimental to bondholders. Bondholders will make their own judgment on the investment acumen of the trustees.

Continuing the parallel with Signal Life, is the Hongkong and Shanghai Bank going to launch a rescue operation and buy in the Cavendish Energy Bonds from Bondholders? Even if Parkford does get back on an even keel, there is some doubt that, given the present low prices of oil, the bond payments could be met in time or in full.

But Mr Richardson stated that it was not proposed to buy in the bonds. Indeed, the trustee has not yet informed bondholders generally of the position, though a draft letter is under consideration. He is however explaining the situation to those bondholders who contact him. Bondholders concerned about their position should do just that. They should also be contacting the intermediaries who sold them these bonds. Collective action is more likely to produce results than individuals acting separately.

Eric Short

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U.K. CONVERTIBLE STOCK 26/3/83

Name and description	Size (£m)	Current price	Terms*	Con- version dates†
British Land 12pc Cr 2002	9.80	294.50	333.3	80-87
Hanson Tr 9pc Cr 01-06	81.54	195.00	107.1	85-01
Slough Exts 10pc Cr 97-90	5.03	234.50	234.4	78-84
Slough Exts 5pc Cr 91-94	24.72	110.50	97.5	80-89

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † Three-month range. ‡ Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is assumed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. † Income on £100 of convertible stock is assumed to grow at 10 per cent per annum. ‡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. † The difference between the premium and income difference expressed as per cent of the value of underlying equity. † is an indication of relative cheapness, † is an indication of relative dearth. † Second date is assumed date of conversion. This is not necessarily the last date of conversion.

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YOUR SAVINGS AND INVESTMENTS-3

Clive Wolman looks at Britain's oldest tax Stamping out anomalies

THIS WEEK the Government introduced proposals for giving stamp duty, the oldest tax in the Inland Revenue's armoury, a thorough spring-cleaning.

House purchasers, particularly those paying only slightly more than the £25,000 stamp duty threshold, will be among the chief beneficiaries if the proposals are translated into legislation once the consultation process is completed in September.

The proposals are designed to sweep away the anomalies and antiquities that often make complicated and arbitrary a tax which was introduced in 1694 and which, even today, is still based on 19th century legislation.

It is unlikely to be practicable to delay the purchase of a house until the reforms take effect in perhaps 12 to 18 months. Other transactions might be worth postponing.

One of these is the incorporation of a small business owned at present either by a single trader or by a partnership. Transfer duty of 2 per cent has to be paid on the value of the assets of the business under the 1891 Stamp Act, and assets include book debt, and goodwill but not goods. In addition capital duty has to be paid to the value of 1 per cent on a different category of business assets. Capital duty has been imposed since 1973 in accordance with EEC directives.

The Government consultative document—a copy of which may be obtained from the Inland Revenue at Somerset House, London—proposes removing some of the anomalies between the imposition of capital duty and transfer duty. The document points out that relief from transfer duty are available in cases of company re-structuring and transfers of assets within a group. The justification for relief in such cases is that there is no change in the ultimate ownership of the assets.

The document states: "This



House purchasers will be among the chief beneficiaries

argument also applies to the incorporation of a business."

Gifts of stocks, shares and land can only be made by drawing up a deed which will normally bear stamp duty at a rate of 2 per cent of the market value of the property. The liability of such gifts to stamp duty was imposed in 1910 as a way of discouraging the avoidance of estate duty by making lifetime gifts.

Today, the document points out, lifetime gifts are subject to capital transfer tax and there is now a case for removing stamp duty on gifts entirely. The annual yield is only £5m out of a total tax take of nearly £1bn from all stamp duties, while the cost of collection is believed to be around £3m.

Once again, it may be worthwhile to postpone making such a gift, in the hope that the duty will soon be abolished. Remember that if death occurs within three years of making a gift, a higher rate of capital transfer tax is imposed.

The document also suggests exempting deeds of family arrangement from capital transfer tax. These deeds are used when the beneficiaries of a will (or under intestacy) agree between them to change its terms. They are often an effective way of avoiding a double imposition of capital transfer tax, once when the property is transferred from wife to children, Legatees have two years after the death to draw up the deed so there is scope for delay.

The reforms proposed by the Government in these areas are likely to be approved by the lawyers and accountants now being consulted. One snag is that Mr John Wakeham, Minister of State at the Treasury, has said that no legislation is likely to be passed before the next election. A non-Tory Government, if returned, may not have either the time or the inclination to overhaul stamp duty on these lines.

FOREIGN INVESTORS with dream houses in America may now be having nightmares about the U.S. Internal Revenue Service (IRS). The cause of this present unease dates back to the U.S. Foreign Investment in Real Property Act passed in 1980 to ensure that foreign investors in American real estate did not escape the IRS's tax net.

The Act was introduced after growing concern among several sections of the community about the adverse impact of a surge in foreign property purchases. Farmers and corporations renting a slice of the Big Apple joined together to protest that foreigners who were escaping the full rigours of the American tax system were pushing up property prices to unreasonable levels.

There was also a feeling that some of the ostensibly foreign money was in fact American funds by another name. According to this argument money was being transferred into foreign incorporated companies and then re-invested with fiscal advantages in the U.S.

So in June 1980 the American government introduced legislation that would put foreigners investing in U.S. property on an equal footing with their native counterparts. From that time any foreigner selling American property has been subject to a 20 per cent tax on the capital gain.

For the purposes of the Act property covers a wide range of assets. It includes farmland, furnishings, time sharing interests, mineral deposits and certain mortgages.



Taylor Woodrow Homes development, The Meadows, Sarasota, Florida, where villas and garden apartments are for sale from \$62,980

On the face of it this sounds simple—if expensive—enough. The complications arise as the IRS has decided that in order to stop foreigners escaping its clutches, overseas investors must either file certain information about their properties or alternatively complete what is called a security agreement with the U.S. taxman.

These rules cover all foreign investors with U.S. property worth more than \$50,000. Originally the deadline for filing security arrangements, which

are designed to ensure the foreign investor has sufficient funds to pay the potential tax bill, was set at March 21 but this has now been postponed.

The deadline for investors opting for disclosure is June 21. Some tax advisers are now suggesting that the IRS will also extend the deadline for security arrangements until June 21.

So what does this all mean for investors? They must decide whether they wish to

tell Uncle Sam all the details of their property assets or whether they are prepared to foot the bill associated with providing adequate security to the U.S. taxman.

For most individuals, provided they do not wish to hide their identity, the cheapest and most straightforward method is to file details with the government. This will include a description of the property and an up-to-date assessment of its market value.

This information must be

supplied each year. The properties purchased in the future details must be sent to the IRS by January 31 of the year after the acquisition is made.

Foreign investors can obtain the requisite forms from American embassies or the Foreign Operation District of the IRS in due course.

Failure to take appropriate action can result in a \$25 fine per day on each property up to a maximum of \$25,000 in any one year. The fine is due in June will cover the three years back to 1980, so the maximum penalty that could be imposed this year is \$75,000.

Apart from the possible cost of getting advice from an accountant, investors who opt for disclosure should not and themselves substantially worse off than in the past. Any tax paid to Uncle Sam can be offset against the UK tax bill, through the two countries' double tax agreement.

If you have property in the U.S. the best advice is to consult a firm of international accountants with branches in the U.S. They should be able to tell you how the new rules affect your particular handful of American soil.

Coopers & Lybrand, the accountants, have produced a booklet called Foreign Investors in U.S. Real Estate: A Guide for Reporting and Disclosure in 1983. This is available from Coopers & Lybrand, 1800 M Street, NW, Washington DC 20036, USA.

Top taxpayers and problems of MIRAS

IT IS now only days to the changeover to MIRAS (Mortgage Interest Relief at Source) under which borrowers will pay the interest on their mortgage net of basic rate tax. Previous articles have described the system and what it means to borrowers. These persons should now be making up their minds as to which system they want under MIRAS.

MIRAS is complicated enough for the general run of borrowers, but there are further complications for higher rate taxpayers. For MIRAS only operates net of basic rate tax. Relief for higher rate tax still has to be claimed through the PAYE system the pre-MIRAS system and Sir Geoffrey Howe has decided to allow mortgage interest to be eligible for higher rate tax for at least another year.

The higher rate relief will come through an adjustment of the individual's tax coding and this should already have been done for the 1983-84 Coding notices which have recently been sent out. If there is no adjustment, the individual should contact his tax office as soon as possible.

This adjustment is a pure estimate by the Revenue of the tax relief due under the pre-MIRAS system, the Revenue

had to estimate the amount of interest paid during the year, but MIRAS had added an extra parameter. In addition to estimating the amount of interest, the Revenue had to allow for the individual's income over the year.

The Revenue admit it will be purely coincidental if they accurately estimate the adjustment. In almost all cases there will be an overpayment or an underpayment.

If the individual has not received enough tax relief in a year, the Revenue practice is to send a cheque for the balance. If too much relief has been given, the recovery would be made through the following year's tax coding. Small recoveries would be overlooked through the tolerance discretion given to the Revenue.

So the problems for the higher rate taxpayer on MIRAS will occur in April of next year, when the individual completes his tax return. If his mortgage is with a building society, the only information required is his roll number. The Revenue do the rest. With any other lender—bank, insurance company, local authority—the individual needs to get the MIRAS 5 tax certificate from the lender and enclose it in his return.

Incidentally, the Revenue overestimated the tax relief due in the current tax year 1982-83 by basing interest on 13½ per cent. Rates finished the year at 10 per cent. Tax is being reclaimed on all borrowers by an adjustment to the 1982-83

coding, so individuals may have problems reconciling their code number since the amounts involved are substantial.

The other complication with MIRAS relates to borrowers with mortgages above the limit for tax relief. Until last week's Budget, this limit was £25,000. Lenders had the option of opting out of the MIRAS system for mortgages above the limit and borrowers would continue to pay interest gross and reclaim tax through PAYE. Most building societies have opted out, but the remainder and the clearing banks have an incorporated system of partial relief for these mortgages.

Then last week Sir Geoffrey lifted the limit to £30,000, thereby introducing further administrative complexities. A borrower with a mortgage between £25,000 and £30,000, the latter figure inclusive, has been opted out of MIRAS. He will remain out for the tax year 1983/84 and come into the system the following year. New borrowers with a mortgage not exceeding £30,000 go into MIRAS immediately.

If the borrower has incorporated a system for handling these higher mortgages, then there is no problem with the change.

There could be further complications if the Chancellor, whoever he is, next year again increases the limit. The alternative is possibly removing higher rate tax relief from mortgage interest.

Eric Short

Barry Riley talks to the Stock Exchange chairman A call for fairer shares

THE STOCK EXCHANGE was ten years old this week. Ten years? Has it, like an ageing actress, made a mistake about its age?

Yes and no. The London Stock Exchange is indeed a comparatively ancient institution, but it was just a decade ago, on March 25, 1973, that the independent stock exchanges in the UK and Ireland merged into one United Stock Exchange.

As recently as 1964 there were as many as 22 separate stock markets in the British Isles, though regional federalisation had already reduced the numbers somewhat before 1973.

For seven of those ten years Sir Nicholas Goodison has been chairman of the Stock Exchange. This week he listed what he saw as the most important developments of the decade.

Common listing standards and common standards of behaviour were crucial, he said, and without the amalgamation it would not have been possible to develop the countrywide system of settlement.



Sir Nicholas Goodison

There were also advantages for the Government in dealing with a single body. "If there had still been 22 stock exchanges the Government would have had to set up a new agency, or at least extend the work of the Department of Trade, at some point in the late 1970s," he suggested.

The merger had worked. "On all those counts, it can say it's been a great success. We don't

isn't just a European exchange."

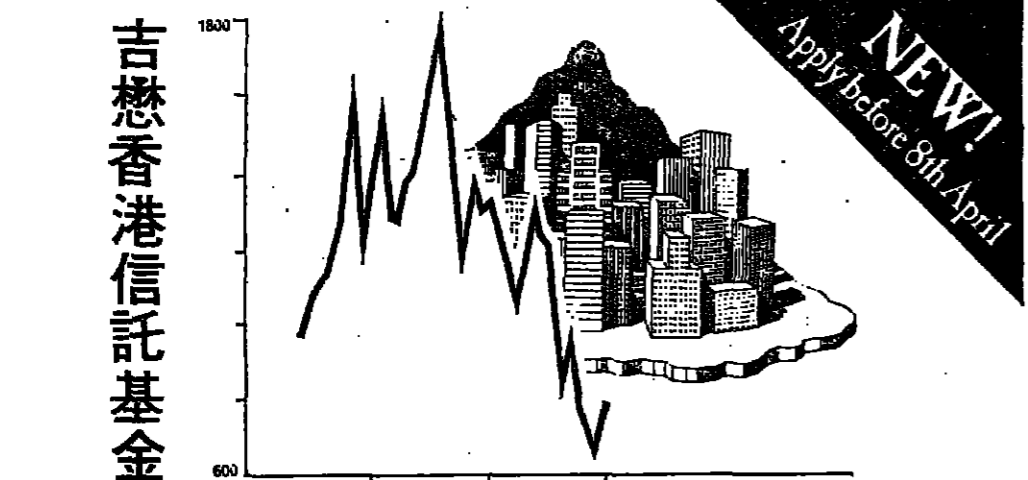
The Unlisted Securities Market had been a very important change. He insisted that recent Press stories about a closer scrutiny of the quality of new USM companies were false.

There had been no change in the Stock Exchange's policy here. But it was certainly true that Sir Nicholas was concerned about the growth of speculative tip sheets.

"I am looking at the matter. I am concerned with my regulatory hat on." He said that he was worried that he might find evidence of manipulation. "But I am not concerned about people having hopes in a company which are dashed. I think that's risk." The equity market was a market in risk.

A major continuing problem for the Stock Exchange, said Sir Nicholas, was the fiscal discrimination against the private investor in quoted equities. The Conservative Government, he said, had made various improvements, such as the indexation of capital gains tax, but he was plainly dismayed that the reformed Budget had been directed specifically to unquoted shares.

"The pump does need to be primed if you want to get individuals to invest in industry," he argued. "You must take away the obstacle, and then give a small fiscal boost to get them in the habit. Once they get in the habit it catches on, as the USM has shown."



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In the all-important international trade markets Hong Kong adopts an opportunist and flexible approach that enables the Colony to capitalise on world demands. America's consumer spending, which is of vital importance to Hong Kong's exports, is now looking healthier—and entrepreneurs and workers alike are preparing for rich rewards from revitalisation of the world economy generally.

Property—the worst is over

In the property markets, which were hit by a collapse of 30% to 50% in property and land prices, there are signs of a return to confidence. Rents are stabilising, and, while large property profits may not reappear just yet, we believe that the largest part of the crash is over.

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In 1982, the seeming lack of progress on the renegotiation of the lease on the New Territories, weighed heavily on Hong Kong's markets.

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LEISURE

Stunning fjords and cold tables

BY ONE OF THOSE odd quirks of history, the Kvikne's Hotel at Balestrand in Sognefjord owes something of a debt to Kaiser Wilhelm II. His admiration of the indescribable magnificence of the scenery and all those viable Norwegian legendary heroes moved him to have a couple of rather lumpy monuments (of King Håkon and Freydisa the Bold) erected in the area, where they can be seen today. In 1910 he was on a tour of inspection of the work supported by a naval flotilla, when he broke out at Balestrand, and since then the Emperor of Germany has been to take charge of the operations that put it there.

The Kaiser was not Sognefjord's only dedicated admirer. The British had discovered it in the late 19th century and flocked there, as they still do. So did many artists attracted by the stunning scenery and the potential customers. Today, Kvikne's Hotel, with all its ramifications appended to the older (and more attractive) building is one of Norway's top hotels in terms of comfort, majestic setting and, not least, food.

Their "cold table" is a visual joy: I counted over 50 items, each a minor work of art, plus a selection of hot dishes and a miscellany of exotic cakes. Most visitors stay in Balestrand for three-five days, combining it with a few days on another fjord and a couple of nights in Bergen. Through Norwegian State Railways such an arrangement, depending on season, costs in the £500-£540 range for 12 nights' full board in top-class hotels and return air travel; the price can be £100-£150 less in more modest establishments and, of course, the scenery is just the same.

The permutations of almost multi-centuries of almost as many as the number of fjords in Norway. A good alternative for those travelling with their own car is the "Freedom Tour of the Norwegian Fjords" featured by Danish Seaways, which enables you to stay at one or more of a choice of 13 first-class hotels (minimum of three nights at any of them) for a fixed price of £380-£423 depending on season and number of persons in the party. The tour covers the return journey from Oslo, with car and sea travel in Norway with half-board. On a series of networking holidays with fixed itineraries, Norway only also includes the cost of car ferries within Norway which, though heavily subsidised, can mount up if you're



The village of Utne on the Utnesfjord, an arm of the Hardangerfjord.

TRAVEL
SYLVIE NICKLES

touring extensively. On the other hand, such is the complexity and majesty of Norwegian topography that almost any car ferry trip — as indeed any bus or rail journey — qualifies as scenic sightseeing of a high order. Threading its way through seemingly impenetrable mountain barriers to plunge down to yet another breathtaking fjord is an astonishing network of public transport.

With almost clockwork precision, buses and ferries or steamers or hydrofoils converge upon lonely fjord settlements in spectacular settings. For those of us — with or without cars — who find pre-planning part of the fun of travel, the Norwegian Tourist Board produces a free, hefty brochure full of timetables of all the main air, road, rail and waterborne traffic connections we are likely to need.

Before long you find yourself wondering how on earth they managed in those remote valleys before the engineers bored roads and railways through those mountains. The answer is that it took them days, even weeks, to go to market to buy or to sell, travelling on foot or by packhorse and then by rowing boat or cargo

vessel, and staying overnight in humble hosteries that eventually flowered into hotels like the Kvikne's at Balestrand and the Brakene at Ulvik in Hardangerfjord.

An idea of what life was like in those far off days can be gleaned in a number of open-air museums, one of the best of which is Moelstertunet, a short, steep stroll above Voss. It consists of two farms totalling 16 buildings dating from the middle ages onwards, as picturesque to look at as they must have been uncomfortable to live in. Unmarried daughters lived in the storehouses in summer and, for warmth, above the cattle in winter. Entrance doors even to the main building were low to prevent intruders bursting in without warning and, having progressed from benches round the walls, adults slept sitting almost upright in short box-like beds, the better to be able to leap up in case of an alarm.

Lake-side Voss is very likely to feature on a tour of the western fjords, placed as it is about half way between the Hardangerfjord and Sognefjord systems. Apart from its ancient church, it is mainly a modern town and a good excursion centre. Local tours include a splendid full-day "Norway-in-a-nutshell" trip combining bus, boat and rail, and featuring Naeroyfjord which in places is a mere 400 yards wide beneath mountains soaring sheer to over 3,000 feet.

High above the Hardangerfjord system to the east is the huge wilderness plateau of Hardangervidda on which roam Norway's largest herds of wild reindeer. This is one of the lakings regions in which the Norwegian Mountain Touring Association run their unique self-service (as well as staffed) but where blankets, food, fuel, etc are available at set prices, thus enabling serious walkers to enjoy true remoteness without the encumbrance of heavy packs.

Hardangervidda is also one of the best areas for magical mist of orchard blossom from hundreds of thousands of fruit trees, shades to the Christian monks who originally introduced them to the area long ago. The end of blossom time coincides with the International Festival of Art and Music (this year May 25-June 8) in Bergen, that meadow Hapsaer former capital of Norway whose historic sights and surroundings are worth at least two or three days of anyone's time.

Further information: Norwegian Tourist Board, 20 Fall Mall, London SW1Y 5NE. Some tour operators specialising in Norway: Norwegian State Railways, 21-24 Cockspur Street, London SW1Y 5DA; Danish Seaways, Tyne Commission Quay, Tyne and Wear NE29 6EE; Norway Only, 126 Sunbridge Road, Bradford, West Yorkshire BD1 2SX; Fred Olsen Travel, 11 Conduit Street, London W1R 0LS.

Breaking down in Europe

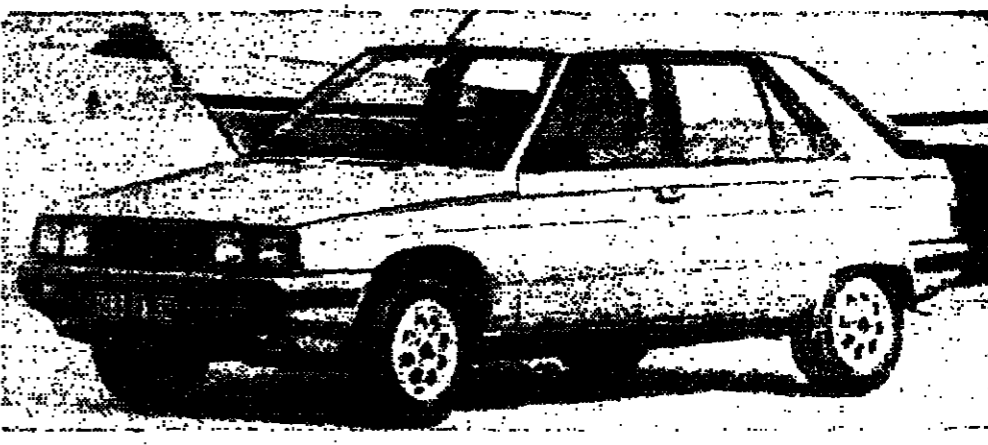
MOTERING
STUART MARSHALL

THE OUTWARD JOURNEY to Switzerland by Volvo's whispering 760 turbo diesel was sheer pleasure. At a steady 80 mph on the autoroute there was more noise from the tyres and wind than from the six-cylinder engine and this wasn't enough to give the stereo real competition. At 100 mph — easily reached on the level and handsomely exceeded on downgrades — there was no more than the beginning of a baritone hum to show the power unit was a diesel. When I tanked up just before entering Switzerland (French gasol is £1.60 a gallon, Swiss is £1.82) I had averaged 35 mpg for 800 miles, half in Britain, half in France.

The return trip was another kettle of fish altogether. First hint of trouble to come was a failure of the glow plugs to heat up the day I left Geneva, which made starting difficult and spectacularly smoky. As soon as it had fired up, the engine ran perfectly. It lost power mysteriously for a few seconds at a time as I headed toward Paris and died on the outskirts of Dijon, just as dusk was falling.

Diesels aren't supposed to suffer from electrical problems. Providing the fuel still flows, they are almost impossible to stop. Clearly, an electrical fault was making the fuel cut-off work when it wasn't supposed to. I checked every terminal I could see in the fast falling light but in vain.

Next morning, I took a cab to the local Volvo dealer, explained the problem as best I could — what is the French for "I think I have an electrical fault that affects only part of the wiring loom but makes the engine stop if I blow the horn or make a turn signal?" — and returned to the car with a mechanic.



The TSE (pictured) — the E stands for electronic — is the top model of Renault's latest car, the 11 hatchback, with a voice synthesiser that not only tells you what is wrong but what you should do about it. For example, if low oil pressure is indicated, the voice tells you to stop the engine after pulling into the side of the road. The voice is male. Feminists would not like this, but Renault think owners will take more notice of a man when messages concern the workings of a car.

The 11 goes on sale in France next month but will not reach Britain until mid-summer.

No, he couldn't make it go, either. He winched the Volvo up on his trailer and drove to the garage. An hour later I heard the comforting throb of the diesel running again and, £30 lighter, set off for Paris.

Everything was fine. I was just thinking that perhaps we would make the 6.15 Townsend Thoresen boat from Calais after all when the engine died again. With a bit of pushing and coasting, I got to a parking area and phoned for help. In the 90 minutes it took the breakdown transporter to arrive, I took off all the undercarriage panels and tweaked every one of the wires. They looked like enough multi-coloured spaghetti to feed a family of six. Nothing, of course, happened.

So the Volvo was winched aboard for the second time that day. Auxerre and the nearest Volvo dealer was the next stop. In a couple of kilometres we were off the autoroute (you still have to pay the toll even if the car is travelling piggy-back) and the breakdown man said we would be at the garage in 10 minutes.

The 11s I drove in Brittany last week felt much like Renault 9s. They rode most comfortably, had nice seats, were quiet at up to 80-85 mph and were economical. My 32.7 mpg average in a 1.4 litre included some brisk driving. The electronic instrumentation was much less easy to read in bright sunlight than the old-fashioned dials in another 11 I drove because the lighting was not strong enough and the anti-reflection coating seemed too large and too low.

Renault say their electronics are more sophisticated than those of the new Maestro. Austin-Rover will, no doubt, disagree. What is beyond argument, though, is excellence of the Renault's six-speaker built-in stereo. Together with the electronic instrumentation, it will add about £800 to the basic cost of the car.

Prices and details of the 11 models available in Britain will be announced when they arrive. Though based on the Renault 9's mechanicals, the 11 is aimed at a younger and sportier customer. It comes with 3-door or 5-door bodies 1.1 and 1.4 litre engines with four power levels from 48 to 72 bhp, three transmissions (four or five speed manual, three speed automatic) and five standards of trim.

The days when many a roadside mishap could be fixed by tightening up a few connections or blowing through a blocked jet have gone for good — or ill. The fact that the Volvo that misbehaved was a diesel is neither here nor there. A petrol injection system with a fault can be opaque to all but an expert. And how can a motorist possibly trace trouble in, say, an electronic engine management component?

Next, one should never ignore a small problem (like my cold starting trouble) at the start of a 500-mile journey. Getting it fixed would have saved time and trouble in the long run. Always carry plenty of money. Most French garages take Barclaycard-Visa or similar credit cards for fuel (though not all motorway stations do) but it will almost certainly be cash only if your car has to be recovered or repaired.

Finally, if you regularly drive across mainland Europe, it is a good idea to subscribe to Europ Assistance or something like it. Breaking down hundreds of miles from home can be an expensive business.

Lailan Young describes the high notes from Turin to Bari
Operatic magic and food in Italy

FOR LOVERS of opera in Italy the choice is between balmy summer nights in open-air theatres in Rome, Spoleto, and Verona, or the winter season of grand opera. We took our grand tour in December.

We began in Turin, capital of Piedmont and the Alps and the city of Fiat and Lancia. La Stimpia and a richly endowed Egyptian Museum.

Turin's opera house astonishes: walls and ceiling carved to resemble a lady's powder compact in blues, mauves, white. Instead of chandeliers hang glass stalactites, while red chairs and a green curtain add to the bouffant effect.

Such is the enthusiasm of the locals for opera and ballet that 400 were allowed to stand and sing in the choir. Luckily, no emergency sent us all fighting for the doors. While we might justifiably have felt nervous, the audience uninhibitedly unwrapped and munched sweets, and my neighbour was so enthralled with the Rome opera house's production of Parsifal that he missed a sheepskin coat without noticing it through five hours of Wagner.

No visitor to Turin should miss the magnificent Sacra di San Michele, an ancient Benedictine monastery perched dizzily above a ravine an hour's drive from Turin, and thoroughly deserving three stars in the green Michelin Guide to Italy (available in English).

Although non-Romans will tell you that Romans know nothing about opera, we noticed large numbers arrive in Rome for the opera house with their small battery torches. Although the opera house is in

an unexciting area behind Via Nazionale, at least the problem of where to have a light meal at odd hours (business begins at 4 pm or 5 pm for instance) is solved by being able to order simple dishes and wine at La Matriciana restaurant opposite.

We were amused by the amateurish antics of the "guards" in Rossini's Semiramide. Their trampled efforts to maintain straight lines and opera decorum gave welcome light relief to an audience disappointed by the standard of singing set by the largely non-Italian principals.

Sobered by the unexpected experience of not hearing great singing at an Italian opera house, we hired a car (our Ford Fiesta from Avis cost £374,000 for the week with unlimited mileage), and left Rome before dawn to avoid the city's crazy drivers, and headed south to Naples.

It is no myth that Neapolitans love their wine, women and song, although the sight of a car full of stranded women was evident during the taxi strike which enveloped us on our arrival in the worst-then-ever excruciating traffic jam. It took hours to cross the city, but the reward at the end of a long day was Verdi's Ballo in Maschera at the beautiful San Carlo theatre.

No-one much liked Corrado Murru as Riccardo, despite his recent success at New York's Met; those who shared our box called him "the Central European," but other members of the cast were treated to warm applause. Dressing in Turin or Rome, the local ladies splendid in furs on a night when the

temperature dropped to 52 degrees.

A good pizza tastes even better after a night at the opera, and we sought ours at Ciro Pizzeria a couple of streets away in Via S. Brigida. The marinara at £2.500 was excellent — thin, crisp and garlicky (as a good pizza marinara should be), and it went well with Mastroianni's Gino di Tuffo (£7,000 a bottle). Outside we found ourselves surrounded by policemen brandishing pistols and machine guns.

A picturesque drive through the Apennines brought us next to Bari, at the top of Italy's heel and capital of Apulia. Little known to tourists, Bari's main attractions are the old town situated on a headland jutting into the Adriatic, a number of smart shopping streets, and as a touring centre for the dramatic coastline of the Gargano Massif to the north and to the south, villages of unique traffic — strange, white domed houses dating back to early Christian times.

The opera house management of Bari, second to Naples of the southern cities, lures the world's top singers, and this season's stars include Mont-Caballé, Katia Ricciarelli and José Carreras, followed by Marilyn Horne and Pavarotti. Ballet was on offer during our stay, and for two hours we were mesmerised by the beauty and inventiveness of Carolyn Carlson's Dance Theatre from Venice's La Fenice.

We left the car at Bari's airport and took the local airline, ATL, to Milan. La Scala was all an opera house could be with Domingo, Mirella Freni, Bruson, Ghisaurvo and Multi-

as conductor — under one star-laden roof. The critics, of course, let rip their disapproval in the world's newspapers, but the standard of singing, La Scala's fine mechanical stage devices and the superbly dressed audience together made the performance of Verdi's Ernani for me an experience to treasure for all time.

Dinner after the opera at Biffi Scala next door is fun; Ernani finished at midnight, but the restaurant was full, so you must book in advance.

Information: We flew by Alitalia to Turin and returned by Mastroianni's Gino di Tuffo from Milan, and all our hotels and opera tickets were booked in advance. Money is not the main problem of making a grand opera tour; getting tickets is. You stand the best chance if you have friends or business associates with privileged Italian connections. Otherwise, you must compete for tickets not wanted by each opera house's subscribers. Write for programme details early in September with an international reply coupon. Bookings are made by post, and money is refunded if seats you have requested are unavailable. Tickets can be claimed a few days before the performances on presentation of a receipt for payment. Prices start at around £14,000 (all one price in Turin) to about £35,000 and more for starry nights.

Cassa di Risparmio, Teatro Regio, Turin; Biglietteria del Teatro Comunale, Florence; Teatro dell'Opera, Rome; Biglietteria, Teatro di San Carlo, Naples; Teatro Petruzzelli, Bari; Bottegino, La Scala, Milan.

Growing perennials from seed

GARDENING
ARTHUR HELLIER

I HAVE been planting delphiniums and was reminded how very different it was from what I would have been doing 50 years ago. Then every plant would almost certainly have been named, variety raised from a cutting or by division since seedlings were then of very inferior quality. All the delphiniums I have been planting now are seedlings and their flowers are excellent in every way.

The sale of named delphiniums must now be quite small, confined mainly to specialists who require a uniformity of result which even today's seedlings cannot quite give. Most people who grow delphiniums, as I do, solely for garden display find good quality seedlings entirely satisfactory and very much cheaper than vegetatively propagated plants. Like all seedlings they also start with a new lease of life unhampered by the diseases which inevitably build up in plants that are grown generation after generation. This is from cuttings, divisions, layers or any other vegetative means. Unless one expects the very modern micro-cuttings which, because they are made from the rapidly growing tips of shoots, often escape the diseases of the parent plants.

My own delphiniums were grown from seed of a variety named Dwarf Blue Fountain which gives individual flowers as large and almost as varied in colour as the popular Pacific Giants but on a plant that is only about 4 ft high. Hurst, who raised it, catalogue it as 24 in 3 ft but with me, perhaps because my soil is fairly heavy, moist and rich, it grows taller but nevertheless requires little staking. I sowed the seed in an unheated greenhouse in March 1982, planted out a seedlings a foot apart in my vegetable garden in early June and they were all flowering in August. They have overwintered without loss and when I lifted them for replanting in a mixed border I found that they came up with heavy clumps of roots. This augurs well for this year's display which should be in June-July, the normal delphinium season except for first year seedlings.

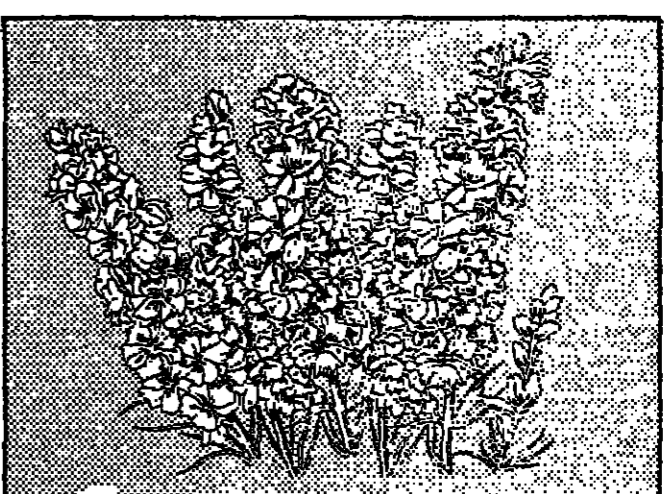
There has been a similar change from named to seedling plants with lupins but not, as far as my experience goes, so successful as with delphiniums. I regard the heyday of the lupin as the 1950s when Bakers of Dodsall were growing dozens of Russell varieties from cuttings, beautiful things such as Blue Jacket, Fred Yule, George Russell, Mrs Micklethwaite, Thundercloud and Tom Reeves which have never been surpassed for quality. Unhappily they fell victim to virus

diseases, bane of so many vegetatively propagated plants, and gradually seed strains took over.

Although these are sold as Russell Mixes or some such title they seldom in my experience produce anything like those early Russell introductions. It cannot be impossible to do this for I have one fine red lupin which I got from Mr Martin Furniss whose beautiful garden — at Cobblers, Jarvis Brook, East Sussex, has been so popular with visitors when it is opened for charity. He had all seedlings they also start with a new lease of life unhampered by the diseases which inevitably build up in plants that are grown generation after generation. This is from cuttings, divisions, layers or any other vegetative means. Unless one expects the very modern micro-cuttings which, because they are made from the rapidly growing tips of shoots, often escape the diseases of the parent plants.

A perennial that almost everyone raises from seed nowadays is the Lenten rose, Helleborus orientalis. I do not mean by this that they deliberately sow seed and plant out the seedlings which can be quite a slow job since hellebores need a period of cold to prepare it for germination and if simply sown in pots in a greenhouse or frame in spring is likely to remain dormant until the following year and even longer if the greenhouse is heated. Once Lenten roses are well established in congenial surroundings — a rather moist, humus-rich soil and a little shade — seedlings are likely to appear spontaneously and one simply has to collect them and replant elsewhere. That is the way my own collection has grown and maybe it is because I have a plant of the very deep purple Helleborus atrovirens among one batch of H. orientalis that this lot produces the best purple flowered seedlings.

All hellebores are so slow to propagate by division that there is a natural preference to raise them from seeds but one professional told me recently that she has enlisted the help of one of the new micro-propagation units — which seem to be springing up all over the place — and was getting very rapid and successful increase of her best hellebore seedlings. I gathered that she was using the technique primarily to enrich her collection with the dark colours so



much in favour at the moment but I prefer the brighter red-purple and also the big whites, either pure or speckled. Mrs Helen Ballard, who has been breeding hellebores intensively for the past 17 years in a tiny nursery near Malvern, is attempting, with some success, to produce varieties which tilt their flowers a little upwards (not back upright which would be ugly) so that they can be seen more clearly. My daughter was taking some friends round the garden recently and they were about to pass the best Lenten roses without noticing them until she lifted a flower up without comment and they were amazed by its beauty.

Some perennials reproduce

from seed so readily that it is quite unnecessary to propagate them in any other way. One that does this regularly for me is the old-fashioned Jacob's Ladder, Polemonium coeruleum, with ferny "laddered" leaves and sprays of dainty blue or white flowers in summer. If the white is grown by itself the seedlings will all be white flowered since this variety carries no genes for colour but even one or two blues among them will produce a predominance of blues since the colour is dominant. This is a very pretty plant for an open or semi-shady place and one which creeps so freely in favourable places that it is necessary to thin drastically to prevent overcrowding.

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Where the risks lie

SKIING
ARTHUR SANDLES

SOMETHING OF a row is developing over the less dangerous, the resorts and equipment manufacturers say things are safer, while the insurance companies argue that life on the slopes is more worrying than once was the case.

Latest figures from Europ Assistance endorse the insurers' view — and suggest that you run your greatest risk on the first couple of days of skiing, and while enjoying those memorable last few runs.

As usual, both sides are right. Ski boots these days are much tougher animals than once they were. Their height and inflexibility means that ankles are now trapped firmly and, regardless of the fall, tend to remain unharmed. Instead the injury moves up the leg, producing spiral fractures which can mean weeks in a hospital bed, or severely damaging the knee.

The efficiency of bindings actually means that there are fewer injuries than was once the case, but when an injury is suffered it tends to be more severe and longer lasting.

SNOW REPORTS			
EUROPE			
Anzere (Sw)	25-75 cm	New snow above 2,000m	
Crans (Sw)	15-80 cm	Worn patches on lower slopes	
Gmündelwald (Sw)	5-10 cm	Good snow on upper slopes	
Isola (Fr)	130-180 cm	Recent snow storms	
Murren (Sw)	40-160 cm	Good on north-facing slopes	
St. Anton (Aust)	30-280 cm	Good skiing above 2,000m	
Sauze d'Oulx (It)	2-100 cm	Fair skiing above 2,000m	
Tignes (Fr)	110-203 cm	Still good skiing	
Verbier (Sw)	15-160 cm	Good skiing on upper slopes	
Wengen (Sw)	5-70 cm	Good spring skiing	
European reports from Ski Club			
THE U.S.			
Aspen (Col)	13-62 ins	Packed powder. Some new snow	
Hunter (N.Y.)	12-72 ins	31 trails, 13 lifts open	
Park City (Ut)	0-125 ins	Four inches of new snow	
Squaw Val. (Calif)	84-228 ins	Powder/packed. New snow	
Stowe (Vt)	0-40 ins	Loose and frozen granular	
Sugarbush (Vt)	7-27 ins	Packed powder	
Figures indicate depths at top and bottom stations.			
The only answer to this problem is to take considerable care with your bindings. Make sure they are checked properly from time to time. If you are a			
beginner be particularly wary of the ski instructor who tightens your bindings because they release frequently on fall.			

BOOKS

Le Vieux Carré

BY ANTHONY CURTIS

The Little Drummer Girl by John le Carré. Hodder and Stoughton. £8.95, 430 pages.

After Smiley, what? Or rather, who? Answer: an Israeli Smiley. When we first meet him, in Bad Godesberg, he is known as Schulmann. He has been sent there to head a team of Israeli intelligence to assist the German police after a bomb has gone off in the house of his country's Labour Attaché, killing the man's small son. Later when the investigation branches across Germany, Greece, Switzerland, England, Lebanon, we know him simply as Kurt, though he adopts several aliases in pursuit of an international cell of PLO terrorists who are planning a series of bomb attacks on selected Jewish targets throughout Europe.

Kurt is to Israeli intelligence what Smiley was to the Circus, a loner, a cur, a rebel within his own cadre, a professional of infinite resource, prepared to put his own head on the chopping-block many times over. Within that head there is a brain of Holmes-like infallibility, capable of drawing many diverse threads together into a nose which tightens inexorably around his victim's neck. Naturally enough, there are differences of temperament: Kurt is quick where Smiley is slow, fowlie where Smiley is elephantine, voluble where Smiley is taciturn. Kurt has, in the words of his German opposite number, "driven urgency". He was a kind of human ultimatum, passing on to his team the pressures that were on himself.

Like Smiley, Kurt is the Control for agents whom he sends into the field to do the dirty work. It is not only his own head that he risks on the chopping-block, but their heads too. *The Little Drummer Girl* is about the recruitment, training, dispatch and performance under extreme pressure of one

of these agents, a small-time English actress called Charlie. So, what is new? Well, Le Carré has never used a woman agent at the heart of the matter before, the intolerable double-blind of having two families, two fathers, two identities, each wrenching her self-respect in opposite directions, has not in any previous Le Carré novel been suffered by a woman ("those frail vessels," as Henry James described the young feminine consciousness at the heart of a novel).

What better individual for simulating loyalty to the PLO, and thus flushing out the leaders of its terrorist wing, than an actress? As Kurt puts it,

"The part we have in view for you combines all your talents, Charlie, human and professional. Your wit. Your excellent memory. Your intelligence. Your courage. But also that extra human quality to which I have already referred. Your warmth."

However hollow this may sound, Charlie falls for it. She undergoes instruction from Kurt and his henchman, all depicted with great shrewdness and aplomb. She accepts a role in what one of their number calls the "real" theatre of the real. The handsome terrorist they are after uses non-Arab girlfriends to deliver the lethal packages where they will hurt most. Charlie is rehearsed in the part of one of these girlfriends until she knows it by heart. Needless to say she falls helplessly in love with Josef, her bullet-scarred Israeli instructor, and their training programme in some of the loveliest parts of Greece turns into a honeymoon. It is a passion which is destined to be put under severe strain when she eventually starts her mission for real, and meets the wounded Arab leader for whom she conceived an instant passion even more consuming than that for his Israeli adversary.



John le Carré: among terrorists

If I make this part sound rather like an up-to-date version of the saga of the Beautiful Spy, blame le Carré. There is something novelistic about the plotting of this novel. The one point to be made in its favour is that it is not at all difficult to follow. The charge often levelled against le Carré, that the deviousness with which his characters pursue their assignments infects his own power to communicate the narrative to the reader, does not stand up here. Many of his characters remain highly devious but he plays fair. Everything is brought into the open eventually. What redeems the book from its schoolgirl crush is its author's acute contemporary awareness.

Le Carré is only a part-time escapist. For most of the book he is a seismograph, recording foreign-correspondent whose despatches take the form of fiction. Like his own intelligence chiefs, no character is deemed too minor or unimportant to merit le Carré's fully alert attention and there are dozens of brilliantly sketched characters to delight the reader as he follows Charlie along her descent into the circles of a modern hell. It is not just a multiplicity of characters we

see around her, but whole families of characters, people in different social and professional groups: actors, diplomats, security police, members of a PLO camp in Lebanon before the Israeli advance, academics and members of the opposition within Israel. Le Carré finds a part for them all. He pays them the compliment of trying to understand their commitments and values. Hence, the book cannot accurately be described as being either pro-Israel or pro-Arab. As a novelist he sees the heartbreak on both sides even if he permits himself to be dazzled by the glamour of his heroes.

In his foreword the author writes: "Many Israelis and Palestinians gave me their help in writing this book." He has clearly taken great pains over the research. Even so a few tiny solecisms have crept in. There is a stop on the London Underground described as "Embankment Cross"; the elderly Jewish couple from the Hebrew University in Jerusalem arrive in Stuttgart for "belated Christmas presents," and Charlie's theatrical agent, an understated old soul, is presented as being of all improbable things, a member of the Garrick Club.

Humane Newman

BY RACHEL BILLINGTON

A Packet of Letters: A Selection from the Correspondence of John Henry Newman

edited with an introduction by Joyce Sugg. Oxford University Press. £18 (£6.95 paperback). 230 pages.

Newman's complete letters and diaries are gradually being published in 31 volumes. A Packet of Letters thus aptly describes the 155 that are printed in this book.

It will no doubt be treated by Newman scholars as an *oeuvre*, in the *cuisine minceur* style, to the grand feast ahead. However it has much to offer the ordinary reader who knows Newman began as an Anglican vicar involved with Keble and Pusey and ended up as a Catholic Cardinal, but very little else. It may even, by its emphasis on the more personal side of Newman's character, teach a thing or two to those whose knowledge of the ideas of the man has slightly obscured the man himself.

Certainly this seems to be Joyce Sugg's editorial concept. She notes in her introduction that many of the letters she has chosen are written to women. She points out that Newman, although deciding on celibacy on his conversion to Anglicanism at the age of 16 and thereafter living entirely in male communities, wrote many of his most personally revealing letters to women.

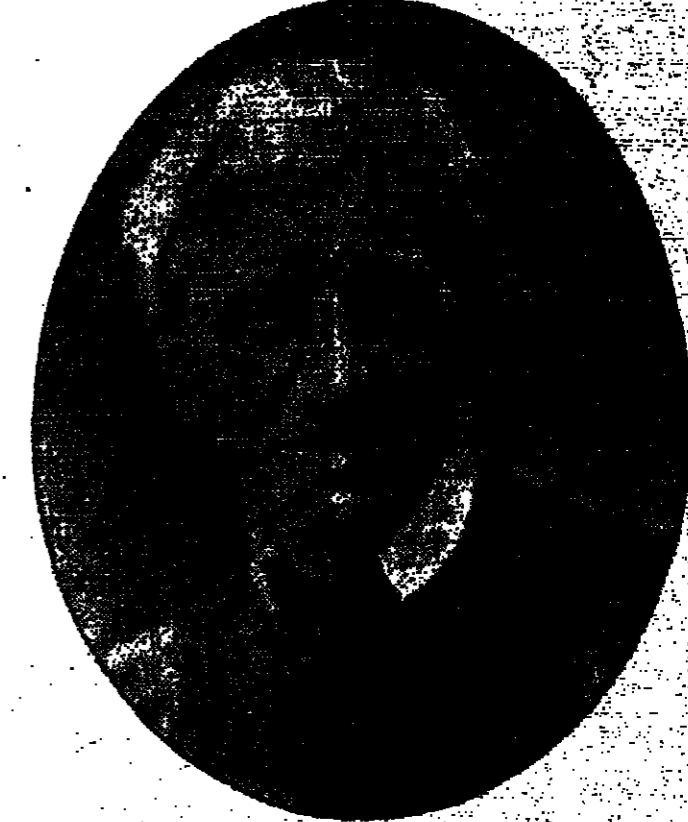
These sisters, nuns or mothers who applied to him for advice brought out a more human and gentler side of his nature not evident in his theological writings. They also show him to be a more practical man than is generally thought and more in touch with the affairs of the world. Particularly in early letters, he describes in great and amusing detail his surroundings, whether it be a boat crossing the channel or an

Oxford college in autumnal glory. Even later in life he takes time to describe a hilarious visit to Ireland when his driver purposefully set him down at the house of the Anglican bishop; this was after his conversion to Rome.

This does not mean Newman favours only men with his views on higher matters. To Mrs William Wilberforce, he wrote in 1834: "The more I examine into the R.C. system, the less sound it appears to me to be..." To his sister, Mrs John Mosley in 1838, he explains his method of writing which involves constant corrections: "I begin to correct again—it will not do—alterations multiply—pages are rewritten—little lines speak in an crowd about the whole page is disfigured. I write again..." He then compares the whole process to a very homely undertaking... washing a sponge of the sea gravel and sea smelt.

This kind of approach to his work makes the letters entertaining and easy to read. Joyce Sugg, admittedly, has left out any very long letters on doctrinal matters which she feels would overweight such a short book. But there are still many which throw a light on his development as a religious thinker and teacher. In a letter written to John Keble in 1844, he looks back to a visit to Italy which culminated in his near-death of a fever in Sicily and his recovery under the persuasion that "some work was in store for me." He goes on to analyse his ever growing conviction that "the Roman Communion is the only true Church" and the anguish this causes himself and will cause others so that "all inducements and temptations are for remaining quiet, and against moving."

In 1863 we read the letter which Newman wrote to Macmillan, the publishers, protesting at Charles Kingsley's reference to him in their



Cardinal Newman: counselling through the post

magazine. He quotes: "Truth for its own sake, had never been a virtue with the Roman clergy. Father Newman informs us that it need not, and on the whole ought not to be..." This led to the writing of the *Apologia Pro Vita Sua*. In a letter written apologising to a nun for replying late, he refers to his present work as...

...a book of 562 pages at heart; but with so much suffering, such profuse crying, such long spells of work, sometimes 16 hours, once 22 hours at once, that it is a prodigious awful marvel that I have got through it... Meanwhile Newman was involved in many schemes for extending the understanding of Catholicism in educational and literary circles. Many of these failed or rebounded on him. He never managed to successfully establish an Oratory in Oxford as he had in Birmingham. He was sued for libel in a very unpleasant case lasting two years and he was ordered by his Bishop to give up writing for the Catholic magazine, *Rambler*, after he had been delayed to Rome for suspected heresy. Perhaps it is not

surprising that in 1869 he wrote with rather un-Christian gloom, "Plan after plan has crumbled under my hand and come to naught."

Nevertheless, in 1879 (when he was 78-years-old) he found himself once more in Italy, this time receiving a Cardinal's hat from Pope Leo XIII. He describes in a letter home not only the Pope's enquiries into his work at the Oratory but also his appearance:

"I certainly did not think his mouth large till he smiled, and then the ends turned up, but not unpleasantly. This combination of the serious and the human makes the letters fascinating at every level. 1980 sees the anniversary of Newman's death and there are moves to use it as a spur towards his canonisation. It is a remarkable saint who writes a poem in thanks for a present of cakes: "Who is it that moulds and makes, Round and crisp, and fragrant cakes?" Also quite a change for the man who Evelyn Waugh considered among the greatest stylists in the English language.

Raja roars in

BY VALERY MCCONNELL

A Tiger For Malgudi by R. K. Narayan. Heinemann. £7.50, 175 pages.

Swami and Friends by R. K. Narayan. Heinemann. £7.50, 184 pages.

Malgudi Days by R. K. Narayan. William Heinemann. £7.50, 244 pages.

R. K. Narayan: A Critical Appreciation by William Walsh. William Heinemann. £7.50, 172 pages.

The Bride by Bapsi Sidhwa. Jonathan Cape. £7.95, 245 pages.

If *Midnight's Children* left you reeling from Salman Rushdie's ability to cram all of India since 1947 into 468 pages, then the novels of R. K. Narayan will seem like a cool glass of water after a hot, spicy curry. His province is small, a fictional town in South India called Malgudi and he has been writing about the concerns of

its inhabitants for the past 47 years. His latest novel, *A Tiger for Malgudi*, deals with a familiar Narayan preoccupation: the clash between mystic, unchanging India and a constantly shifting and Westernised society. By making the narrator a Tiger, he has found an intriguing new angle from which to explore the confrontation.

Raja the tiger is captured by a circus owner who subdues and tames him by fear and then loans him to an ambitious film director who is infatuated with Hollywood. Raja's uncomprehending eyes afford us a distasteful if comic view of the men's antics — constantly chasing deadlines, money and fame. The tiger escapes into Malgudi, where it is saved from being shot by a Sanyasi, a mendicant yogi who communicates with him as though he were a fellow human. They become companions and Raja is taught a mystic interpretation of the world and learns to evaluate his own past life, as he does throughout his story. However bizarre the notion of a deeply spiritual tiger may be, we must accept it at face value and not try to turn the novel into an allegory. Raja is a flesh and blood tiger, not an

abstract concept. Compared with the false reality of the circus and film-set, his life of meditation seems a haven of common-sense.

As a counterpoint to this new novel, his first, *Swami and Friends*, which recounts the adventures of a Malgudi schoolboy has been reissued. There is more humour and less depth, but the same ability sympathetically to enter another being's world — here the day-to-day, precarious urgency of childhood. Swami is ruled by the obsession of the moment, be it the possession of a hoop, the fear of a bully or hating for his best friend's cricket eleven. The book is well worth a second reading.

Malgudi Days is the first complete collection of R. K. Narayan's short stories. Many of them are of the O. Henry type, existing mainly for the denouement in the last paragraph. Yet even at their most contrived they are alluring insights into another culture. Should you never actually read the stories the book is worth buying for its picture map of Malgudi — a delightful aide-memoire for all Narayan buffs. A much weightier guide to his work is William Walsh's *R. K. Narayan: A Critical Appreciation*. His style betrays his

academic origins; he is acting Vice-Chancellor of Leeds University. However, he offers a thorough and chronological study of all Narayan's writings and gives an English reader an understanding of the author's place in the mainstream of Indian literature.

A recent addition to the growing band of novelists from the sub-continent is the Pakistani novelist Bapsi Sidhwa, who has just published her second novel, *The Bride*. Where Narayan is cautious, probing and particular, Mrs Sidhwa is flamboyant, incisive and expansive. The bride of the title is a girl brought up in the gossipy enclosed ways of the women's quarters in Muslim Lahore. To be then forced by marriage into the bleak world of the Himalayan tribes. Here, poverty and her husband's jealousy threaten to overwhelm her.

If the author's racy prose has a touch of the Harold Robbins about it, she also shows a marvellous feel for imagery, writing of refugees in a camp, "grinding together like kernels in a mill." At a breathless pace she weaves her exotic cliffhanger from passion, power, lust, sensuality, cruelty and murder. How very different from the home life of Malgudi!



Two sketches of the singer Yvette Guilbert from Edward Lucie-Smith's "Toulouse-Lautrec" (Penguin £12.50)

Tracks in sand

BY DAVID PRYCE-JONES

Traces of Travel by Gerald de Gaury. Quartet. £13.95, 224 pages.

As a young officer in the First World War, Gerald de Gaury was inspected by Lord Kitchener. A senior officer in the Second World War, he was in Cairo, with Lord Wavell. Soldiering has taken him from Gallipoli in 1915, and the trenches in France, all the way to the freeing of Baghdad from the pro-German Rashid Ali in 1941. In his experience, those about to die in battle often had a premonition of it. He never felt it himself, although wounded four times.

As civilian diversions, he has tracked down the Holy Grail in church in Genoa, as well as a feather from the Archangel Gabriel's wing in a Portuguese monastery. His distinguished looks earned him a part in the film *The Leopard*. Princess Marie Bibesco, Gertrude Bell and Freya Stark, old Lady Salisbury, the Marchesa Casati: a natural courtier, he is at ease with names like these. In his late eighties now, he writes a throw-away prose which sets off his reflective curiosity about everything he has known.

Like the John Buchan character that he is at heart, he spent the best years of an adventurous life in the Middle East. Joining the First Regiment of Arab Levies in 1924, he was stationed in Iraq, at the time a British Mandate. Becoming Political Agent in Kuwait, and then chargé d'affaires to the Iraqi Regent, he was one of the small band of men who had the confidence of Arab rulers in those last years of the British empire.

Sheikh of Kuwait, Abdillah the Regent of Iraq, and his nephew Faisal. How to modernise without jettisoning valuable tradition was the task which faced them. Goodwill and ability were not lacking, and de Gaury would not say the same of their successors, who all too often were also their murderers.

Some of these set-piece impressions have been published elsewhere. All of them seize upon significant detail or evoke the mood of a moment. Perhaps the best is an account of visiting Riyadh in 1934, at the invitation of Ibn Saud. An escort was provided. Arab dress was obligatory. Ibn Saud's audiences were masterly, and afterwards it was a mark of signal favour to be shown round the harem, the ladies happening to be away at a wedding. Among the few Christians permitted to live in the city was St. John Philby, that bizarre renegade, father of Kim, an even more bizarre renegade. He had in tow an Arab girl who was compared locally to an eight-cylinder motor, for obvious reasons. As de Gaury drily remarks, "Philby did not take Mrs Philby to Riyadh."

Ten years later, de Gaury found Ibn Saud wondering why British attitudes towards him were changing—he was reflecting. In other words, that the time had come to turn to America. The years witnessed by de Gaury may have been a golden age for the Arabs, however brief and ill-fated. Too wise to rue the past or to rail against the present, de Gaury lets events speak for themselves.

Emirs and pashas, battleships and uniforms, all the trappings of grandeur which he loved, have vanished. To feel every humour in the circumstances, and to be free from spite, is itself part of the grand old style.

Larwood era in retrospect

BY KEVIN HENRIQUES

Ashes in the Mouth: The Story of the Bodyline Tour by Ronald Mason. Hambleton Press. £7.95, 238 pages.

Ronald Mason's sensibly, sensitively written study of the still notorious "body-line" series is timely, if only for the fact that this past winter was the 50th anniversary of England's successful campaign to win back the Ashes, employing methods which at the time outraged the battered Australian team and its supporters, but which, in the climate of the more violent 1980s, would scarcely jeopardise (as it did then) the future of Anglo-Australian Test cricket.

Justifying the publication of "yet another book" on bodyline Mr Mason explains that his is intended to be an objective appraisal: looking at the controversy, not as one of the participants or spectators, but in its historical context, in a detached and judicious way.

He draws upon much of the vast literature on the series, including Jack Fingleton's *Crickets Crisis* ("the most succinct and comprehensive account of the body-line tour and its beginnings"). But he is not afraid to challenge previously accepted opinion on key matters; for example, the reputedly crucial over bowled by Harold Larwood in the 1930 Oval Test to Don Bradman, the Australian run machine for whom bodyline was primarily devised.

Mason, then 18, was present. He disputes that this single over, the last of a rain-interrupted day, bred the germ, as Fingleton and others contend, of the concept of short-pitched bowling to a leg-side field as operated by Larwood, Bill Voce, and Bill Bowes, on the 1932/33 tour.

The roles played by the main participants in the unsavoury drama are re-examined. Mr Mason does not produce any startling evidence to overturn the repeated evaluations of Jardine and Larwood: the

former ruthless, loyal, single-minded, aloof, yet possessing some warmth and charm; the latter a truly great fast bowler, a doughty professional cricketer, always conscious that the game was his livelihood and obeying the instructions of a demanding, mostly unfeeling captain.

Jardine's decision, in the final Test, to send Larwood in as nightwatchman, to the bowler's unconcealed outrage, is re-examined in the light of evidence that the idea was originally not Jardine's but the vice-captain's, R. E. S. Wyatt. Mr Mason also suggests that Eddie Paynter's celebrated escape from hospital to bat at a crucial time in the fourth Test was prompted by orders from Jardine and not, as legend has it, an impromptu gesture of heroism from the translocated Lancashire batsman.

Mr Mason rightly reiterates strictures on Sir Pelham Warner, co-manager of the tourists, for his pusillanimous attitude to bodyline bowling during the tour. Sir Pelham, an influential, much respected figure in cricket, strongly insisted in print several times before and after the tour that he was opposed to short-pitched bowling. Indeed, a few months before the tour, he publicly criticised the tactics of one of the bowlers, Bill Bowes, whose selection he later approved for Jardine's team. Yet during the stormy days of the 1932-33 winter Sir Pelham maintained what, at best, can be described as a deafening diplomatic silence.

Here, as elsewhere, Mr Mason has delicate glances of wit. It is a tribute both to his historical sense and his overall judgement that into so contentious an issue he is able to inject small doses of humour. To assuage those who doubt the availability of "yet another book" on bodyline reassurances comes in the introduction by R. E. S. Wyatt, well-qualified to judge, who pays tribute to the accuracy and truth of Mr Mason's conclusions.

Crime Club

Two outstanding newcomers

Robert Time
"a discovery full of promise" *Guardian*

State of Grace
"Altogether a very satisfying performance"
— *Daily Telegraph*

"Told with a taut assurance remarkable in a first novel"
— *Oxford Times*

"Keeps us on the edge of our hassles"
— *Sunday Times* £6.75

Carol Clemeau
"a welcome and civilized newcomer" — *Daily Telegraph*

The Ariadne Clue
"A mythic debut of charm and craft"
— *Sunday Times*

"Literary, lively, neatly put together and well plotted... a notable debut"
— *The Times Literary Supplement*

"A Grade A debut" — *Observer* £6.75

Fortcoming attractions:
novels by Elizabeth Ferrars, Jonathan Vain, Marian Bosson, Patricia Moyes, and Robert Time's second novel, *Uncasy Lies the Head*

Why not ASK your bookseller?
— Collins —

Adam & Charles Black

The essential reference book

WHO'S WHO 1983

is now available £42

HOW TO SPEND IT

by Lucia van der Post

SEW AND SEW

I sometimes am swept with a romanticised, pre-Industrial Revolution vision of Britain, in which I see whole households all stitching away at some soothing tapestry work. It may sound dotty but the many small companies that have sprung up in recent years whose sole raison d'être seems to be to provide stitchers of tapestry with the wherewithal to pursue their hobby bears witness to the fact that it is a large and growing market.

Most of these small enterprises have been successful because they saw an obvious gap in the market—the old-established big companies who provided the kits, the canvases and the wools seemed not to have changed their designs or colours in years. The whole hobby was surrounded with an aura of stuffy gentility and the younger, increasingly craft-orientated generation was left uninterested.

In the last few years all that has changed. There are now designs and colours available to almost everybody who has ever wanted to make something special for individual for their home. Whether you want a bright, new modern design, a gentle, old-fashioned sampler-like picture or an elaborate, almost painterly effect there will be something, somewhere for you on the market.

One of the new companies that seems to have grown very fast indeed is Gloriana. I've featured its complete kits often enough on this page for it always seems to have something new and up-to-the-minute to offer. Its latest, and perhaps most ambitious, scheme has been to link up with the Royal Academy of Arts and launch four tapestries based on as faithful an interpretation of four paintings as it is possible to achieve with needle and thread.

The two women who started Gloriana, Carol Lantry and Jennifer Berman, took great care over the four paintings they chose to turn into tapestries and the choice is admirably wide, ranging from a strong portrait in blue, black beige and red by Philip Sutton (called "The Manet Lady") to the softly-framed "Window Image" by Leonard Rosoman, which has an almost sampler-like gentleness about it.

Then there is "Morning, Volterra" designed in conjunction with Bernard Dunstan, which shows a nude sitting on a bed in one of those sunlit rooms that the work of the impressionists has imprinted so clearly in all our imaginations.



Finally, there is a very boldly coloured "Still Life with Flowers" taken from a picture by Edward Walter, strong yellows, russets and blues dominate the picture.

All these tapestries can be bought either from the Royal Academy of Arts, Burlington House, Piccadilly, London W1, or from needlework shops and department stores up and down the country or, finally they can be bought mail order directly from Gloriana, The Old Mill House, The Ridgeway, Mill Hill Village, London NW7 4EB (01-908 2212). Gloriana will send colour illustrations of the four designs if you would like them. The kits come complete with colour silk-screen printed canvas, colour photograph, needle, wool and/or cotton perle. Prices are £19.95 for The Manet Lady, £29 for Window Image, £37.50 for Morning, Volterra and £39.50 for Still Life with Flowers.

Stitchery is a small company well worth knowing about, because although the selection of designs it offers is small, almost all are exceptionally charming. Some readers may remember the little sampler-like kit Stitchery produced to celebrate the arrival of Prince William (the kit can be adapted to bear the name of any baby or child, as well as the birth date). Since then the company has produced a full-colour mail-order leaflet, which includes not only the Birthday picture but a much larger, prettily coloured Celebration Sampler, a design for a stool top, and a whole range of designs for cushions. The kits use crewel wools, bound canvas and have clear stitch charts and instructions.

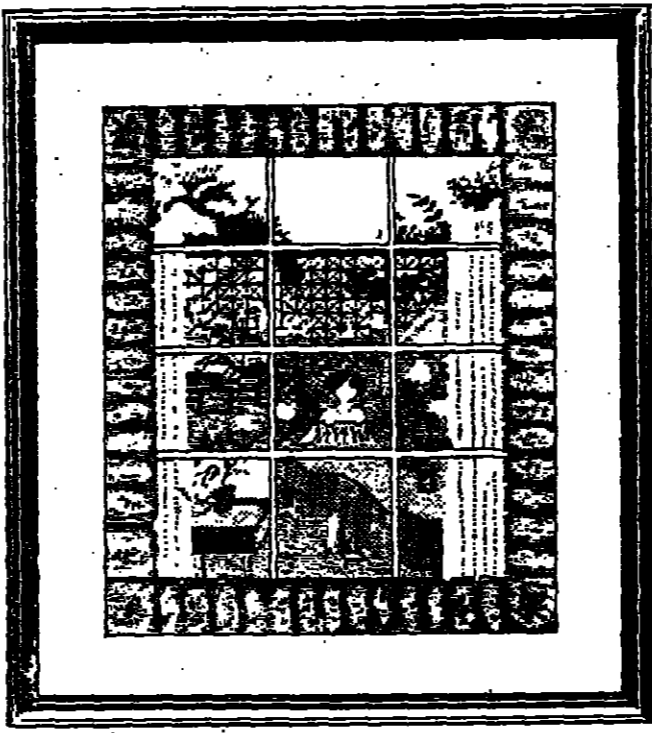


The prices seem exceptionally reasonable—the Celebration Sampler, for instance, is £14.95, the tiny Birthday picture is just £5. Write to Stitchery, Rose Cottage, Watts Road, Thames Ditton, Surrey, for the leaflet and price list enclosing a s.a.e.

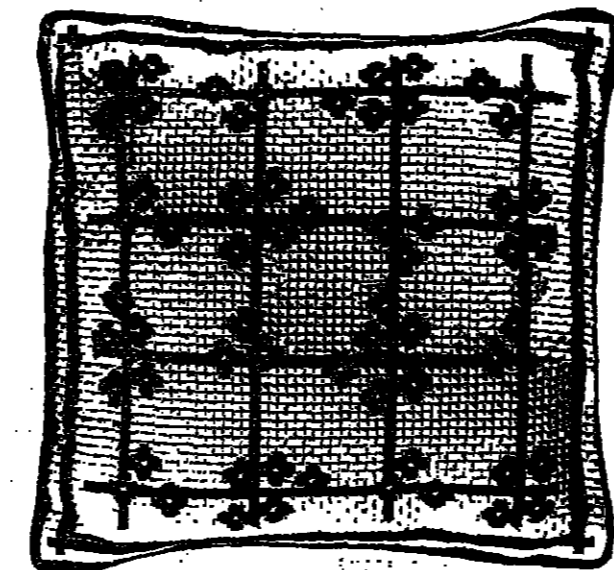
Now that good-quality genuine antique samplers are almost impossible to find (they've mostly gone to America, so a local antique shop told me recently) many people might like to make for themselves a needlework picture which has that old-fashioned gentle quality.

The design that I think is nearest in flavour to the old originals is Cottage Garden, from the Coleshill Collection. You have to count the stitches out yourself (though my secretary, who has nearly finished one, tells me that that is easy enough) and you can use the border to work in your own names and dates. It is £12.95 for all wools and the canvas. Write to the Coleshill Collection, Ash Cottage, Coleshill, Amersham, Bucks.

Finally, a needlework tapestry that re-creates as nearly as possible the central part of the mosaic found on the floor of a

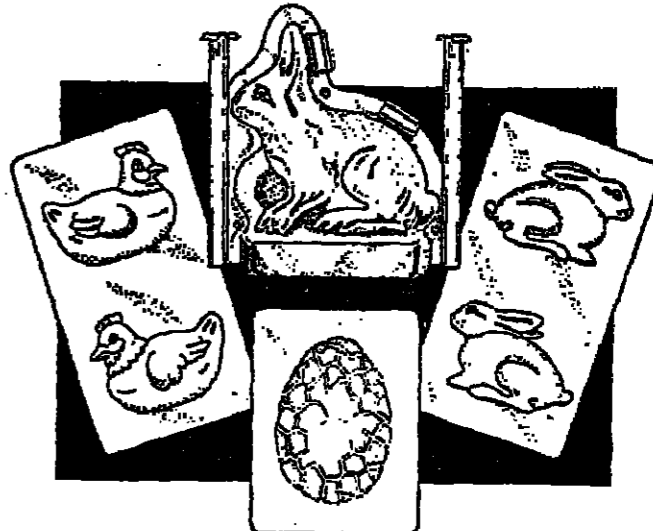


Above left and right are two of the tapestry kits which are the result of the collaboration between Royal Academy of Art artists and the tapestry firm of Gloriana. Philip Sutton's "The Manet Lady" is at the left and "Window Image" by Leonard Rosoman is on the right. Near left is the tapestry version of a mosaic tile found on the floor of a Roman house in the City and below is one of the designs for a cushion cover produced by Stitchery.



Roman house near Mansion House when Queen Victoria Street was being built in 1869. 12 ins by 12 ins, it comes in kit form, with all wool and canvas, for £11.95 either from the British Museum or from Clio Design, 54 Kensington Court, London, W8. Colours are the authentic blues, terracotta and greens.

Go to work on an egg



THE BEST, most desirable of Easter presents are, in my view, those that are made at home. I still prefer the hand-blown, hand-painted eggs my daughter did for the household a few Easterns ago to any number of cream-filled chocolate eggs, no matter how elaborately ribboned and wrapped.

Most of the techniques for decorating the eggs the chicken lays are easily mastered, very well-documented and require only patience and a desire to see the task through to the end.



However, for those who prefer things made easy for them there are now kits which will simplify the whole business of choice and decision-making.

For instance, if you want to colour ordinary eggs, then a German company has produced an inexpensive (£1.55) packet which contains everything you need to colour 13 eggs. The colours are a trifle gaudy (or, I suppose, bright, depending upon your point of view) but doubtless will appeal to small children more than the very pale colours the traditional vegetable dyes produce.

It is recommended that you use eggs with white shells and all you need to do is to dissolve the dye in the packets in about one pint of boiling water, add three tablespoonsful of vinegar, then put in the ready-boiled still warm eggs. The colouring agent is a water-based paint which just coats but does not penetrate the shells. The colours are bright red, yellow, green, blue and violet and though personally I would prefer to see them in a plain white or wooden bowl, a ready-to-assemble cardboard "tree" to hold the eggs is included in the packet with the obligatory bunnies romping around the base—if your children are small enough it should provide quite a lot of enjoyment.

£1.55 from The Covent

A selection of chocolate moulds from Divertimenti

Garden General Store, at No 111 Long Acre, Covent Garden, London, WC2 (the shop is open every day of the week except Sunday from 10 am to midnight and will be open on the Friday, Saturday, Sunday (just till 7.30) and Monday of Easter weekend, which may prove a boon to ill-organised Londoners).

If you think it might keep the children quiet for several hours to initiate them into the ancient art of making their own chocolate Easter eggs there are now plenty of kits on the markets to help them do just that.

Peter Knight Cookshop, of 156 Walton Road, East Molesey, Surrey, is selling a very simple kit called The Easter Egg Mould. For £2.95 (p+p 33p) there is one large simple egg mould and a little stand to rest

produced some delectable Christmas sweetmeats is now offering some Easter ideas. Little animals and fishes made in dark and milk chocolate are sold loose at about £4 a pound, little foil wrapped eggs are £3.80 a pound.



There is also an extraordinary life-like egg which is in fact filled with hazelnut praline and costs about £1. Marc de Mores chocolates can be found in most good food shops including Fortnum and Mason, the General Trading Company, Sharn Square, London SW1, Boco's Chocolates, 321, Kings Road, London SW3.

The Merry-paul shops are currently selling some of the most delicious truffles I've tried in years (£4.95 for 500 grammes) and for chocoholics who are actually interested in the quality of the chocolates the shops are a good source of Easter ideas.

Finally for those who prefer something more lasting, Floris, the perfumers, of 89 Jermyn Street, London, SW1, is selling papier-mache eggs (large size £1.95, small are 60p) which make a pretty container for the egg-shaped soaps (£5p in Lavender, Moss Rose or Wild Hyacinth).

Alternatively you can buy the soap eggs packed in sixes in egg boxes for £5.25 or packed in threes in hand-carved wooden bowls for £3.55.

it on whilst cooling plus a list of instructions. It sounds simple but messy and as if no small child should be left to do this unsupervised.

Divertimenti, the Kitchen shop at 68/72 Marylebone Lane, London W1 which also runs an excellent mail order service, has, as usual, plenty of the more elaborate moulds, like the metal mould for the Easter bunny shown in our sketch here (£4.64, plus £1.20 p+p). Then there are the plastic moulds, shown on the left, right and below—£2.14 (plus 50p p+p) for the rabbit or chicken, 55p for a 3 1/2 in size egg, 60p for 4 1/2 in size egg and 65p for a 5 1/2 in size egg.

For adults the French firm of Mazet de Montargis which

ONCE UPON A TIME

SUN DIALS are enchanting things but because they aren't exactly the sort of thing one needs to buy every day anybody who is hankering for one may not know exactly where to find them. Brookbrae, of 53 St. Leonard's Road, London SW14 (tel 01-876 4370), has a selection of standard sun dials which are interesting enough to grace any garden, whether a small urban patio or a formal country lawn.

Brookbrae offers six standard designs, including the Rose Dial pictured here, but it also will take on any special commission or design project that may be needed.

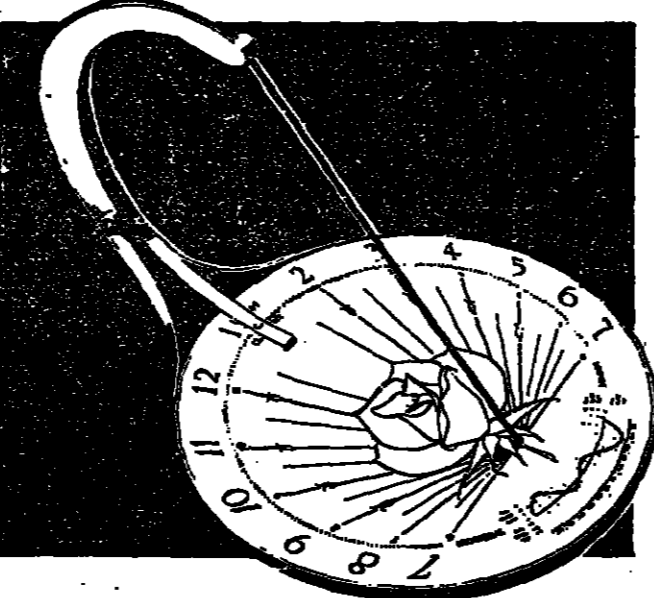
Of the standard designs, some are in brass, some in bronze, and there are three different standard accompanying plaques to choose from.

The Rose Dial, shown here,

costs £59 (prices go up to £113), has an 8" solid brass dial and the Arabic numerals show both British summertime and Greenwich mean time.

There's also a graph on the dial which helps those who are so minded to convert sun-time into clock-time (did you know that on only four days a year, April 16, June 14, September 2 and Christmas Day, does sun-time coincide with clock-time? Budding astronomers should please address correspondence to Oliver Gero of Brookbrae, and not to me).

If the Rose Dial isn't exactly what you want, there are other designs all illustrated in colour brochures so write directly to Brookbrae if you're interested in either the standard range or in more dramatic special commissions like armillary spheres, zodiac calendars or even more scientifically esoteric requests.



THE OTHER MEN IN MY WIFE'S LIFE

I READ Mrs Swain's article about the women who surround her husband with interest.

My wife also works in the City, so in some ways I can sympathise with Mrs Swain. I do not stay home in Surrey—in fact my office is only a few minutes from my wife's—but her day is as much of a mystery to me as Mr Swain's must be to Mrs Swain. Many is the time I have brought home some fresh mackerel for our supper only to receive a phone call saying that she will be home late again. I noticed the other day that our freezer is filling up with mackerel, so while I'm waiting for her to come home tonight, I thought I would sketch out a few of the men who surround my wife each day.

THE BOSS. Grey-haired, distinguished, former rowing champion, well-connected in the City and Government, very attractive if you like receding hair lines. This man has ultimate authority over my wife's career, but is too much of a gentleman to abuse this power. Or so I like to think. Over the years, he has asked me what I do for a living about 17 times.

THE DEPARTMENT HEAD. Younger, divorced, hard-driving, hard-drinking man who treats my wife just like all the rest—



abysmally. No discrimination against women here, everyone sweats, works long hours and tries to earn a small shred of praise from the man. He terrifies me; I almost wish he would chuck my wife under the chin, or at least recognise that she ought to go home and cook my dinner from time to time. Whenever I meet him, he asks me how my business is and rarely waits for a reply. I get the feeling he wonders who irons my shirts.

THE COLLEAGUE. These vary, but generally they treat my wife

and me with suspicion. Their wives do not work, they have huge mortgages and many children, most of whom go to expensive schools. So every time they see the two of us together, you can almost hear the mental calculations whirling through their heads as they speculate on how much money the two of us must make. This hostility, however, can usually be worn down by buying a few expensive rounds in the pub. I consider this money well spent.

THE SALES REP or PUBLIC RELATIONS MAN. This man

is paid to flatter. He wants my wife to think he actually likes (fancies/admires) her for her great personality and ready wit, not for any crass reasons like doing business with him. His lavish expense account virtually rules out dinner on the days when they "have lunch."

"I'll see you again? How boring for you." I always say as I tuck into a Fray Bentos steak and kidney pie. Luckily, he only has two lines of conversation—himself and his company, so I don't count him as a serious nuisance.

There are others, like the client whose needs always come before mine. But that's the scene from one husband's perspective. I would be interested to hear about others.

PHILIP WEBB

in Next week's FT

— Computer Integrated Manufacturing (CIM) and the shop floor—on the Technology Page.

— A major British drugs company strengthens its management of marketing and R. & D.—on the Management Page.

— Also on the Management Page . . . the new sick pay scheme—how will companies cope?

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Arduous and jaded perils of tasting

BY EDMUND PENNING-ROWSELL

ONE OF THE privileges, even perks, attributed to those who write about wine and are thus, in some way, wine drinkers, is access to trade tastings. It would be hypocritical to pretend that they are not both interesting and enjoyable (provided the wines are acceptable); but the strength of being very arduous and jaded. Certainly one spits out, but something still goes down.

How, for example, would you care to face a line of 75 California wines, the great majority of which are of the same vintage, most of which are of the same European equivalent? And a week or so ago this was the course devised by the leading California wine importer, Geoffrey Roberts (7 Ariel Way, Wood Lane, W12).

There is no obligation, of course, to complete the course, but these are very interesting and often excellent wines, many of them not readily available or, as in the case of Jo Heitz's Marth's Vineyard Cabernet-Sauvignon 77, too expensive (£276 a case) for mere wine writers. In fact, I found afterwards that I had sampled 45 red and white wines.

The wines were arranged by grape variety, and demonstrated the extraordinary range, dedication and expertise of these California wine makers, many of whom have only set up their vineyards a dozen or less years ago. For the keen wine drinker there are two problems, particularly since the fall in the pound in relation to the dollar, and the Californians cannot be blamed for that.

But they are more responsible for the other difficulty we face here: a number of them are too alcoholic. As they put the strength on the label, if perhaps sometimes underestimating it for tax reasons, this information is openly available. Who wants to drink Zinfandel at 14.8 deg, as is the other very agreeable Joseph Phelps 1978?



Blanc de Noirs, some Chardonnays. Not the least surprising fact about Schramberg is that Jack and Jamie Davies only started it in 1965.

Back home, as it were, the proprietors of the 12 e Premiers Grands Crus Classes of St Emilion descended on London to show their 1981 and 1979 vintages: a notable occasion. The 1981s are not yet in bottle and were cask samples, the 1979s have been about 18 months in bottle.

The general conclusion to be drawn from this tasting seemed to be that the 1981s are somewhat lighter than expected, though with plenty of colour, and with a good aroma: often vanilla/oaky. Of course, they are mostly very tannic, and one can never be too definite about wines that may recently have been racked or fined.

The St Emilion from the then record vintage of 1979 were certainly on the light side, some distinctly pale for such young wines, and appearing to lack backbone. Maybe they are going through a phase, which often happens with fine claret, and it would be premature to generalise about the vintage. The St Emilion are certainly early developers, and that will be welcome to many consumers. It is, of course, easy to prefer the leaders, and in my view Cheval-Blanc was the best 1981, with excellent colour, a fine nose, and a big fruity flavour

though fairly developed for its age. Ausone too had a fine colour, an oaky aroma and a good deal of tannin: more closed up.

Another big-coloured, fruity tannic wine was Figeac, with as yet a slight winey taste: certainly among the leaders. Other 1981s that particularly stood out included Canon, very firm, tannic and closed-up, but with plenty to live on, Belair, with very good colour and bouquet. Beau Séjour (Bécat), fairly forward but with a vanilla aroma and good balance and style, with an oaky nose, and a curiously clove-like flavour. The Magdelaine, usually so good, seemed a little out of condition.

Among the 1979s, Cheval-Blanc was light, without much nose, but easy to drink. Much the same applied to Ausone, but it had less character. One of the best was Canon, as it had more colour and body than some others.

The Figeac currently seemed rather thin, with a "grassy" flavour. The Beau Séjour

(Bécat) had good colour for the vintage, and so had the Belair, a bit edgy. The Clos Fourtet was very light, as had been the 1981, though that was above average for a growth that has yet to reawaken its one-time fine quality.

I am afraid I was disappointed with both vintages of Trotteville, and with La Gaffelière. The smaller part of Beauséjour (Durau-Lagarosse) had good colour in both years, but was closed up in the 1981 and showed some acidity in the 1979.

Finally, it is often asked, are there any great Italian wines? Well, at least among the finest is that curiously Sassicella, produced from Cabernet grapes near the sea coast a little south of Legnano.

The importers, Hunt and Braithwaite, laid on a tasting of ten vintages, from 1980 back to 1968. Deeply coloured, very concentrated with a powerful, earthy nose that somewhat resembles a very powerful red Graves, with age it achieves a surprising elegance.

... Wines on the High Street

BRITISH HOME Stores, with 39 wine-selling stores, are not among the most prominent on the High-St. Nor in range does their list compare with many others: less than a couple of dozen wines, of which the whites are the most prominent and most popular. At a tasting the following appeared the best value in quality and money:

Pale Dry Fino Sherry (Valdespino). An authentic, unadorned wine, with a flowery nose, clean dry flavour of a true fino. Excellent £2.59 (70 cl).

Soave Superiore 1980 (Montessori). More freshness than a great many Soaves (the "superiore" reflects higher alcoholic strength rather than quality. This had a touch of

sparkle, no doubt injected, but this lightens the taste of a wine that has a suggestion of "weight" at the end. £2.99 (litre).

Liebfraunlich Rheinhessen 1981 (Haltgarten). Not, admittedly, my type of wine, but in its class respectable, for (a) it is all from one German wine district and not a blend from goodness-knows where (b) though fairly sweet it has an element of acidity that keeps it from the sweet-babby. (70cl).

Mahner Domherr Rheinhessen Kabinett 1981. Attractive aroma and has the better balance of fruit and acidity that a Kabinett wine should have, and more than a little higher price. £2.79 (70cl).



Three of today's key men... Sounness, Wilkins, Dalgleish

Trevor Bailey looks at money and the Milk Cup

It could be a classic Final

THE DANGER in sponsoring a very well known, long-established sporting event, such as the Oxford v Cambridge Boat Race or the FA Cup is that the sponsor's name can so easily be partially overlooked or forgotten. This is, of course, why there is much to be said in favour of sponsoring an entirely new tournament, like the John Player League or the Benson and Hedges Cup. However, the National Dairy Council, the voice of the dairy industry, has reason to be well pleased with their first year of football sponsorship culminating in the Milk Cup Final at Wembley today.

The League Cup, now renamed the Milk Cup, is a comparatively recent competition and has only developed into a major soccer event in the last decade, which has helped this season's transition. The sponsor has been very fortunate in the two clubs who have reached the final: Liverpool and Manchester United.

It is a dream confrontation because in a season when the overall standard of play in the

first division has probably seldom been lower, the best team in the land, Liverpool, and the only side in the first division to have made a marked improvement, Manchester United (with the possible exception of Watford and Stoke), are doing battle. This view of the first division was certainly reinforced by the meeting between Watford and Tottenham Hotspur last Saturday, when it was difficult to believe that only last winter the Spurs had been a clever, cultured team who were a real pleasure to watch.

The Milk Cup Final this afternoon could be a classic as there will be 22 high-quality players on display. In addition with so much class and experience there should be no danger of either team freezing. Certainly the prospects are infinitely better than the more prestigious FA Cup Final—whichever semi-finalists make it.

The National Dairy Council, who are funded by the Milk Marketing Board and the Dairy Trade Federation, have invested £2m in their football sponsor-

ship over the next four years. In terms of national media advertising the present investment is comparatively small if one takes into account the amount of both newspaper and television coverage allocated to the Milk Cup Final. What is perhaps also not fully appreciated about their overall strategy is the considerable regional promotional opportunities in the early rounds.

The Football League are also delighted with the deal which has produced extra revenue at a time when it was especially needed, from a product which is above reproach. This year the sponsorship money has been divided equally between the 92 clubs, but next season success on the field will guarantee a larger share. The two finalists who share 80 per cent of the net return already do considerably better than their FA counterparts, but next year will do even better.

Who will win? I must fancy Liverpool, hope for Manchester United but will hedge my bets and go for a draw.

Dominic Wigan previews the Flat season

New challenge for Piggott

AS ANOTHER Flat season gets under way it would be easy for an impartial observer to assume that flat racing remains beyond the interference of such minor irritations as a major recession in the western world.

At Newmarket alone there are 250 more horses in training than in 1982 while the total figure for the country in 1983 is some 15,000 horses in training. Basic weekly training fees range from around £100 to £150 at one or two of the most illustrious establishments.

While dole queues lengthen and recession bites deeper in so many areas there is little sign of Britain's major training establishments headed by Newmarket and Lambourn feeling the pinch. Only a matter of months ago, an Arab consortium headed by Mahmoud Fustok saw the multimillion pound completion of their investment in Michael Albina's unrivalled Epsom Lodge stables complex on Newmarket's Hamlet Road.

A little further out of the town Henry Cecil trains 150 horses for owners including Lord Howard de Walden; Mr H. Joel, Mr D. Wildenstein and Mrs G. F. Getty II at Warren Place.

There lies most of the "ammunition" for Lester Piggott as he sets out to smash Frank Buckle's all-time Classic record of 27 successes set up back in 1782.

Piggott, who notched his first victory on the aptly named The Chase at Haydock in 1948, will be relying heavily on Disraeli and Dunbeath in the coming months and he seeks a Classic target of which he is currently three short. Disraeli disputes market position with Ireland's Dazzure in the 2,000 Guinees-betting while Dunbeath is a clear favourite to further enhance Piggott's unsurpassed record in the Derby.

After his remarkable run as a two-year-old, Dunbeath (8-1 to victory) was sold for an undisclosed sum thought to be in the £3-£4m bracket. His trainer, whose prize money haul in 1982 was £373,000 must have more than a little thankful that



An historic look at last year's Flat—Walter Swinburn and Sherger

the cult's new connections wisely decided to keep the horse where he has already achieved so much. In what should prove an absorbing campaign there will be few who will not be wishing Michael Stoute the best of fortune, with a very special two-year-old, THE COLT, who is as yet unnamed, is a half brother to Sherger—still missing and presumed dead two months after his kidnapping.

A young trainer and jockey who are both destined to make their mark in an uncertain style this season, can get off to a flying start by taking this afternoon's William Hill Lincoln Handicap. The partnership of Kim Brassey and the 5 lb claiming apprentice, Steve Dawson, look to have a bright chance of landing the campaign's first big race through a 59-1 chance in Haydon Cool. A neat powerfully made horse, who acts on any ground, Haydon Cool put up a creditable performance last spring when

defeating Prince Reviewer by seven lengths in a Haydock Handicap. Then, trained by Mervyn Rimmel, Haydon Cool will take the world of beating if producing his best of 7 stone 8 lbs.

Some 40 minutes before the Lincoln, last season's most talked about filly, Soba will be back in action as she tackles Bold Thought and Jester in the Camdeboo Trophy. Chapman's course winner will go well but I somehow doubt her being quite forward enough to cope with Robert Sangster's Jester.

DONCASTER	
1.45 Regal Express	
2.15 Jester	
2.55 Haydon Cool	
3.25 II Pontefract	
3.55 Swift to Conquer	
4.25 Costello	
NEWBURY	
1.45 Prominent King	
2.15 Celtic Beauty	
2.45 Jester	
3.15 Mr Peacock	
3.45 Spartan Missile	
4.15 Linway	

The best of the best... Alan Forrest reports

Sports heroes examined

TREVOR BAILEY and I attended the Whitbread Sports Awards ceremony this week, an occasion which purported to choose the best performers in the major sports since the turn of the century—the strength of interviews with 2,000 fans.

We sat at separate tables. Trevor was near the top, a fitting place for one of the nominees for cricket's best all-rounder but I think I managed to impress Sir Leonard Hutton by telling him I played in Yorkshire league cricket, where he began his career.

Trevor missed out on the award. If went, predictably if not fairly, to Ian Botham, against competition from his betters—for example, W. G. Grace, Wilfred Rhodes, George Hirst, and for that matter, Trevor Bailey. I think Botham

needs a few more seasons to qualify for this kind of award.

But it was a marvellous occasion. What, more can a sports fan want than a chance to rub shoulders with Fred Perry, Billy Wright, Bobby Moore, Mike Enfield, Bill Beaumont and Sir Stanley Matthews, and watch a marriage of true minds—three generations of Kent and England wicketkeepers, Leslie Ames, Geoffrey Evans and Alan Knott?

My colleague, Trevor Bailey, sums up: "The eventual selections were often distinctly odd. Although Henry Cooper is best-known, and best-loved, described as the fighter of the century. And no serious cricket student could rate Boycott ahead of Hobbs and Hammond humbly."

It was honoured to find myself backslashed alongside Grace and Botham in the all-rounders category and ahead of a couple of Yorkshiremen, Rhodes and Hirst, who were really rather special. But looking at Botham's Test record, I was completely happy with the award going to Jan.

For the record the major awards included: Best batsman to Geoffrey Boycott, best bowler to Fred Trueman, best jockey to Lester Piggott (flat) and Fred Winter (jumps), Fred Perry (tennis), Tony Jacklin (golf), Stanley Matthews (winners), Jimmy Greaves (goal scorers), Bill Beaumont (rugby forward), Brendan Foster (long distance runner) and Joe Davis (snooker), awarded post-humously.

Pampered pooch in porcelain

BY JANET MARSH

THE FOOLISH but engaging animal pictured here oozes pampered aristocracy. He was modelled in the Vincennes factory, probably in the 1750s, and the artist has marvellously caught both his character and the attitude of nervous attentiveness at any moment when the dog will spring up and yap his fury at some suspicious stranger.

The poodle, which is to be sold at Christie's auction of fine European porcelain on Monday, stands 9 ins high, and gives every indication of being a portrait of a particular canine. The question is made more intriguing by the presence on the dog's collar of the name "Sophie". Since there is a strong anatomical case for thinking that the creature is male, the name may well refer to its owner; and the most obvious candidate would then be Madame Sophie, one of the four maiden daughters of Louis XV of France.

These princesses were charac-

ters. One of them, Louise, took the veil, but remained so worldly that when her father announced that she had left the palace in the night, her eldest sister Adelaide retorted smartly, "Oh, yes — and with whom?" Victoire was reckoned to have a good heart but not much sense. On hearing of a famine, she wept and asked, "But if the poor things have no bread, why can they not eat pie-crust?" — thus anticipating the dictum of a more celebrated representative of French royalty.

Adelaide and Sophie were both known to have pet dogs. In her memoirs the Comtesse de Boigne remembered as a child being taken walking with Madame Adelaide and her large white spaniel Visir. When the ground was muddy, Visir was put in a linen bag, and carried by two servants in livery. The Comtesse recalled that since she felt a certain rivalry with the dog, she was rather proud of her own ability to walk comparatively unslurred

through the mud without a bag. Sophie's poodle will probably realise upwards of £20,000; but the sale has ceramic canines for more modest pockets, ranging downwards from a cuddly Strasbourg creature of indeterminate breed, estimated at around £2,000 to a Meissen hound and pug, at £200-£300 each.

All these models date from the middle of the 18th century which was, to judge from portraits of the time, a peak period for doggy pets. Reynolds's sitters posed with their favourite spaniels. Gainsborough was a master of dogs as well as men; setters, collies and pomeranians all figure in his portraits, and he painted the actress Perdita Robinson with a bewitching Samoyed. Hogarth and Rowlandson both depicted with some disgraceful mongrels; a particularly sorry and vicious creature in Hogarth's "Marriage à la Mode" takes advantage of the death of the Countess to steal a joint of meat. But Hogarth too could feel sentiment for the species, and features his gentle



pug-dog Trump in his most famous self-portrait.

Pets were less in evidence in the early decades of the 19th century, though Byron inscribed the most touching of canine epitaphs in praise of his Newfoundland dog who possessed "all the virtues of man without his vices". Dogs were to come back into favour in a big way with the

Victorian age. The Royal family became and were to remain notable dog lovers. Sir Edwin Landseer delighted the public both with his superb naturalistic representations and with anthropomorphic fantasies like "High Life" and "Low Life" which contrasted canine aristocracy and impoverishment, or "Laying Down the Law" in which a canine impersonated a human court-room. In 1859 the dog show was invented.

The Victorian's revived enthusiasm for dogs as pets in turn stimulated a renewed production of ceramic specimens; and humble collectors are likely to find Buckingham and Staffordshire dogs a good deal more accessible than the fine 18th-century porcelain examples among which Sophie's poodle stands supreme.

Nor should the charm of these humble pottery pets be discounted. The absurdly long-legged virelindus, often vaguely dangled a rabbit from their mouths; the tidily spotted dalmations; the square little pugs and the poodles, enthusiastically sprinkled with pottery; fur and seated in cobalt blue cushions, have an appeal of their own.

Occasionally these Staffordshire dogs, too, purported to be portraits. A rare, titled figure commemorates Master McGrath, the celebrated black greyhound that achieved the unparalleled feat of three Waterloo Cup wins in 1868, 1909 and 1871.

Much more frequently encountered are Staffordshire versions of "Dog Tray", based on the poem by Thomas Campbell, which achieved huge popularity with the dog-loving Victorian public when it was set to music by Stephen Foster:

No harp like my own could so cheerily play
And wherever I went was my poor dog Tray.

A Staffordshire group of Faithful Geleir was based on the painting by Maclise. Geleir was the hero of a fabricated delusional myth which depicted Victorian sentiments. The Welsh Prince Llewellyn arrived home one day to find his son's cradle empty and his dog Geleir stained with blood. The frantic father, suspecting the worst, plunged his sword into the dog's heart. The dog's dying howl was answered by a child's cry. The Prince discovered his son unharmed, but beside him the body of a great wolf which Faithful Geleir had slain. The Prince, to his credit, never smiled again.

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Saturday March 26 1983

Reminders of the old days

WITH sterling on the slide, and an old-style mainstream Labour candidate winning a by-election from a mainstream Thatcherite Conservative candidate, we seem almost to be revisiting economics and politics as we used to know them. There was little sign by polling day of the Falklands effect, nor of the maelstrom grip of a Prime Minister who protects the value of money by sheer willpower, nor of the splits and internal squabbles in the Labour Party. Only a 24 per cent showing by the Alliance showed a change.

That was not the only reminder of old times. The new-style social contract — now called partnership — between the Labour Party and the unions is a powerful reminder of past efforts in this direction. The main themes — planned growth, subsidies, egalitarianism, a state investment bank, exchange controls and a dangerous vagueness about wage costs — are a re-hash of themes that go right back to the first Wilson government nearly 20 years ago.

There are significant changes, notably a much greater emphasis on action at the level of the firm, and a determination to keep sterling competitively low rather than to keep it high and fixed, and naturally a top priority for expanding employment. Still, the strongest impression is that on domestic questions it is the same old Labour movement, give or take some rather inadequate lessons from experience.

Escapism

This impression of revisiting the past is quite deceptive, however. The economic isolationism which is the threatening new theme in Labour thinking is sheer escapism. The outside world of floating rates, the arms race, oil cartels and debt crises is a nasty, threatening place; Labour's thinking might be summed up in the title of a 1980s musical — "Stop the world, I want to get off." But in economic reality, as President Mitterrand has realised, it cannot be done.

In the 1980s it was still possible to imagine, though misleadingly, that a small economy like Britain's could show around competence — design and build its own cars and aircraft, its power stations and computer networks, and even its independent nuclear deterrent.

Obsolete

This is no longer anything like reality. In the simpler old technologies we now face punishing competition from newly emerging industrial powers. In shipbuilding, not even the Japanese can now compete with the Koreans; for the future it is worth brooding about Mexican steel and Brazilian

air cars. Our simpler airframes are now jobbed out to Romania. Climbing the scale of sophistication, we nowadays develop cars with the Japanese and new aero-engines with most of the industrial world; we debate whether to build an American reactor at Sizewell with a French pressure vessel and British trimmings. Self-sufficiency is an obsolete dream.

Financially, too, we are subject to events beyond our control, despite the promised freedom of floating exchange rates. The crises of the 1980s were about running out of reserves. That is a worry of the past, but it seems an almost comforting style of crisis compared with what volatile exchange rates and high real interest rates can wreak on us.

We are not entirely helpless; an old-fashioned war preserved the Falklands, and an old-fashioned slump has beaten down inflation, but current problems will not yield to this confrontational style. The present British approach to oil pricing and the exchange rate does not speak of steady determination; keep your fingers crossed and dither appears to be the only solution which suggests itself.

Message

Against this background, the recent by-elections may have a message which has nothing to do with the sense of déjà vu on Thursday night. It is that voters are more willing than ever to think for themselves. They know the difference between an Ossie O'Brien and a Peter Tatchell; they are not over-impressed by a budget aimed rhetorically at stability while sterling slides. They listen, judge, and are ready to change their minds.

This is not comforting news for a government which may have to face some unpleasant decisions before long. Our action on the oil price may either land us in a punishing war with our EEC partners, or start off a further price fall which would leave the Chancellor's financial strategy noticeably dented. The exchange rate, sooner or later, may require unpleasant action, including higher interest rates — especially if Darlington should lead to a revival in the opinion polls of a devaluationist Labour party.

The agonising thing for the Government is that the correction of sterling which has already taken place could produce a quite convincing recovery in the home economy, at long last, in a calm environment there would be much to be said for soldiering on. However, nasty choices are usually best handled by governments with time ahead of them. The outside world is beginning to nag for an early election.

NO ONE can complain that recent by-elections have lacked drama. After the triumph of tactical voting in Bermondsey last month, this week there was the candidates' by-election in Darlington.

In the first week of the campaign the opinion polls suggested that the SDP-Liberal Alliance was in first place, ahead of Labour. Then Labour began to catch up and eventually to take the lead. In the last few days there was a race for second place between the Alliance and the Tories, which in the end the Tories won handsomely.

What does it all mean? The fashionable answer is electoral volatility. A better phrase might be consumer choice, as the electorate looks at what is on offer, studies the form, and decides how, or indeed whether, to vote. In Darlington the turnout — at around 80 per cent — was exceptionally high, but the result is still no clear guide to what might happen in a general election.

Two points stand out. The first is that by-elections for the while have ceased to be about issues. Everybody said in Darlington that the key issue was unemployment. The opinion polls say the same nationally. But that is a quite different question from deciding which party is best equipped to deal with it. If the electorate had a straight answer to that, one of the parties would have emerged as a much more convincing winner.

In fact, the two latest by-elections have been about the voters choosing the best candidate to represent them. In this they use the evidence of the opinion polls: tactical voting.

All the parties must be stocktaking

as in Bermondsey. But they also rely on their own eyes and ears. Bermondsey might never have gone Liberal if there had been a different Labour candidate. And what would have happened in Darlington if the Labour candidate had been Mr Chris Mullin, the editor of Tribune, as he nearly was?

The people of Darlington seemed to have looked at the candidates available and sufficient to them decided that Mr Ossie O'Brien, the Labour man, was the best bet. There is no contradiction here with the result in Bermondsey. Mr O'Brien was the voters' choice, like Mr Simon Hughes in Bermondsey before him. It does not greatly depend on party allegiance.

The second point follows from the first. In a three-party system almost anything can happen. Consequently, it would be unwise to read too much into the Darlington result.

Nevertheless, by-elections and opinion polls remain the best guide we have to the mood of

the electorate — the local elections on May 5 will be another — and it would be absurd to say that Darlington makes no difference. Consider, for instance, what might have happened to Mr Michael Foot if Labour had come third, or to the state of both major parties if the Alliance had won.

As it is, all parties must now be undergoing some stocktaking. Take Labour first. Mr Foot's position as leader looks more secure. In a sense he always seemed more likely to stay than go, if only because of the problems of the mechanics involved in seeking to remove him. But as recently as last weekend there were stirrings against him in the event of Darlington going badly.

Mr Denis Healey, the deputy leader, has not raised a finger, though his position might be compared with that of the Egyptian military commander who defected from President Sadat: one of absolute loyalty until the moment for treachery arrived. There were some rumblings among union leaders, too, on the grounds that Mr Healey might be a more likely election winner. All that is over, at least for the time being.

There is a sophisticated view that having (more or less) united the Labour Party and shown that it can come from behind to hold a marginal seat in the North East, Mr Foot might go voluntarily. But that overlooks his own sense of mission. The Labour leader takes his position on nuclear disarmament very seriously and would not easily entrust it to Mr Healey or Mr Peter Shore.

So it seems that Mr Foot will stay. And he has begun to construct a Labour Party after his own fashion. Mr O'Brien in Darlington was a perfect example: neither hard right nor hard left, but just Footite. The clue lies in the dependence on the trades unions.

One of the most revealing quotes of the campaign consisted of Mr O'Brien thanking the Trades Union for Labour Victory movement for its support. Indeed the union men were all over the place. Without them it is doubtful whether Labour would have won. It is a long time since the Labour movement has made such a flat-out effort in a by-election.

The unions were evident again in Mr Foot's other activities this week: publication of the document "Partners in Rebuilding Britain" by the TUC-Labour Party Liaison Committee. It may be said that it is merely the old "social contract" writ large, and Mr Len Murray, the TUC General Secretary, admits that there may be problems in persuading union branches around the country to adhere to it. But it cannot be denied that a great deal of preparation has gone into it. Mr Foot means what he says when he insists that the Labour movement must work together from the start.

You may not like it, and it is ironic that the document should have appeared just when the Socialist Government in



'Mr Ossie O'Brien is a perfect example of Michael Foot's Labour Party: neither hard right nor hard left: but just Footite'

France was preparing a new round of austerity measures following the third devaluation of the franc. But there is a strand of the electorate which supports it and believes that exchange controls and protectionism can raise low pay and reduce unemployment. Under the British electoral system, Mr Foot could still win. The programme will be ready.

Some Labour thoughts, however, are also turning to the possibility of a hung Parliament. Mr Foot began to let it be known some weeks ago that he would not be averse to working with Mr David Steel, the Liberal Party leader, as he did during the Lib-Lab Pact under the last Labour Government.

At the Anglo-American conference in Koenigswinter last weekend, Mr Healey took it further. Mr Steel was on an all-party platform answering questions about the state of British politics. Mr Healey began to describe him as an old friend, snaking his arm round Mr Steel's shoulders as he did so.

They had co-operated before, and could again, though next time it would be more a coalition than a pact.

"Being embraced by Denis Healey," said Mr Steel, "is like being kissed by a vampire." But there is no doubt that a message had passed. The Labour leadership is out to split the Alliance and is preparing to woo the Liberals.

Inside the Alliance, of course, it is all professions of mutual loyalty, despite the poor showing in Darlington. Indeed the only comment that needs to be made on Mr Tony Cook, the SDP candidate, is his own. He had been selected only two weeks before the by-election. He had expected, he said, to fight a general election "and then go through on the tide". He was a lightweight, crushed by two heavyweight machines.

Not that the SDP has anything to be ashamed of. Two nights before the election Mr Roy Jenkins, its leader, delivered the best by-election

speech I have ever heard him make. The process of conversion is still going on, even if it does not always stick.

Yet there are other thoughts for the Alliance to dwell on. It does seem that Liberal candidates do better in by-elections than those of the SDP. Mr Bill Pitt won Croxford for the Liberals and Mr Hughes, Bermondsey, Mr Cook failed to win Darlington for the Social Democrats.

It is also quite likely that the Liberals will win more seats than the SDP in the next Parliament, if only because of the way that the constituencies have been distributed. Certainly the Labour Party takes that as received wisdom.

The first conclusion to be drawn from that, is that the Alliance will almost certainly delay yet again the choice of Mr Jenkins as Prime Minister designate. The second — more hypothetically — is that there could be a Parliament next time where Labour and the Liberals

could find it in their interest to talk to each other. The Conservatives by contrast, have not even begun to put out feelers to any part of the Alliance.

So where do the Tories stand now? By no standards can they be said to have fared badly in Darlington. Mr Michael Palfon, their candidate, was widely regarded at the start of the campaign to be unsuitable to the area and condemned to third place. In the event, he came a more than respectable second, less than five percentage points behind Labour.

And yet there are dangers. If Labour has shown that it can still hold off the Alliance in the north, the Conservatives have still to show that they can hold off the Alliance in the south. That is the threat which continues to worry Mr Cecil Parkinson, the party chairman.

Darlington, though northern, is still a reasonably good example of what could happen in the southern region. The Tory vote dropped nine points. Falls of that magnitude in the south

The electorate has its own guessing game

could hand some seats to the Alliance while Labour was sweeping the north, Wales and Scotland.

The BBC computer projections of the Darlington result repeated on a national scale, incidentally, gave the Tories 320 seats, Labour 267, the Alliance 37, and others 26. (There will be 17 Ulster members next time.)

That would make the Conservatives easily the largest party, but without an overall majority. It is a projection and no more than that, but it does indicate that the Tories are not nearly as safe as the opinion polls sometimes suggest and may need allies.

As to the election date, talk that Jane this year is now out is to some extent disingenuous because it was never really on. Mrs Thatcher has long preferred the idea of waiting till around March 1984.

She may well be wrong about this and it may be argued even now that the better risk would be to go as soon as possible. But the fact is that the party is scarcely ready for it and it would be profoundly uncharacteristic of the Prime Minister to be seen to cut and run. And if June is out, it seems to me that similar arguments apply months further on.

Besides, the recent upturn in some of the economic indicators are themselves a reason for waiting. If the economy really is beginning to grow again, despite unemployment, better to let it blossom a bit before going to the polls.

The paradox is that while Mrs Thatcher exercises her right to keep everyone guessing about the date, the electorate is keeping the politicians guessing too. Nobody knows what will happen next.

Letters to the Editor

Moderation

From Mr R. Hoie
Sir—Mr Holden's letter (March 18) concerning tax takes the issue much nearer than most Press releases and official statements have done. I disagree, however, with his computation since VAT is an ongoing story and may apply several times to a manufactured article before the final sale price. Also VAT is applied to the highest price thus producing a maximum effect. This has enabled foreign imports to pay the fare to our doorstep and leave an ample profit. For the consumer on 30 per cent tax his allowances are engulfed in excise duties, rates, special water bills, etc. and his available money is then diminished by 30 per cent and most of the things he buys by 15 per cent (from the tax) thus making nearly 50 per cent tax take at that point.

It is dangerous to add percentages since they usually apply to different starting points and I suspect Mr Holden's final sum of 38 per cent is very much under valued. A system of self-perpetuating oligarchy is now taking place to try to eliminate the work enterprise of those who have had too much of over-taxing and long to operate in what is known as the Black Economy. This form of voting with their feet should be taken as a warning that there is no more blood left in the stone, instead of regarding it as a challenge to engage extra men and cost to hunt out the escapologists. Moderation is called for.
Takamizaki,
Manor Road,
Pondington,
Kent.

Pound

From Mr C. Pohl
Sir—A superficial aside in the review (March 12) by George Wabon of Pound/Pound: The Story of a Literary Fraud.

ship, should not pass unchallenged.

The assertion that Ezra Pound was "a victim of monetary ideas even drier than monetarism," is one of several solecisms which have been frequently repeated by those presumably unfamiliar with the relevant influences on Pound's thought.

Pound belonged to a political tradition in America which stemmed from those who abhorred the imposition of a rigid metallic monetary system on a developing economy because they believed it would worsen depressions, and who opposed the development of a central bank with private shareholders. They opposed centralisation of credit under private control, as a development which would promote the growth of irresponsible plutocratic privilege.

Ezra Pound particularly admired on this account Presidents Jefferson, Andrew Jackson and Martin van Buren who opposed the renewal of the charters of the first and second Banks of the United States. He was deeply influenced by the writings of the 19th Century American monetary historian Alexander Del Mar, who opposed the demonetisation of silver on strikingly "modern" grounds, favoured a paper money system under state control, and who as an opponent of the classical academic economic establishment of his time, anticipated some of the ideas of Keynes.

Of the economic writers in the inter-war period, Pound commended many of the criticisms of C. H. Douglas, while not committing himself exclusively to the latter's prescriptions. He more emphatically supported the underconsumption theories of Silvio Gesell, who emphasised hoarding and a low velocity of circulation as a cause of slumps.

In the *Cantos*, Pound explicitly endorsed the stamped money experiments of Gesell's followers in Wörgl, Austria, who

achieved local full employment in the midst of the great depression through a scheme which destroyed the liquidity preference attaching to money, and paid off the municipal debts in the process.

What Pound deplored were monetary systems which allowed production and employment to be strangled under a dead weight of debt and falling prices, and which caused great works of art to be sold up as bankruptcies spread. He regarded these as cancers of civilisation. To say that such a critique is "drier than monetarism" betrays a complete ignorance of Ezra Pound's thought in this sphere, and is a glib misconstruction of the record.

Civil Pohl,
Mount View, Greensward Lane,
Hockley, Essex.

Budget

From Dr D. Pollard
Sir—The Chancellor of the Exchequer's recent budget is an ever-so slight U-turn from his previous policy, allowing as it does for an increase in inflation. But then, one wouldn't go ahead and squeeze the remaining few points of inflation out of the economy, and make a further 1m or so people redundant in an election year, would one? One would wait until one had secured a second term of office before returning to the full rigours of the resolute approach, wouldn't one?
(Dr) David Pollard,
Oakfield Crescent,
Bibby, Leicestershire.

Accounting

From Professor D. Myddelton
Sir—In his Budget speech the Chancellor of the Exchequer, referring to the taxation of inflationary profits, said he awaited the outcome of the accountancy profession's further considerations. That surprised me. For the last Conservative government (of which Sir Geoffrey Howe was a member) vetoed the account-

tancy profession's own proposals for constant purchasing power accounting. Surely the profession is still under orders to implement the current cost accounting recommendations of the government committee? Or have these political instructions now lapsed?

(Professor) D. R. Myddelton,
Cranfield School of Management,
Cranfield, Bedford.

VAT

From the Chairman,
British Legal Association.

Sir—VAT at 15 per cent on a legal aid social service—was not lifted in the Budget and so money which could be spent by the legal aid fund on extending limits of financial eligibility for legal aid and/or by making legal aid available where it is now denied (eg in industrial tribunals), is lost. Alternatively, it is wastefully circulated by civil servants between one government department and another and sometimes paid out of the pocket of the legally aided party.

In addition to the suffering of clients who desperately need, but are denied, legal aid, solicitors continue to be paid less than adequate fees for legal aid work although Lord Hailsham has acknowledged that, compared with other social services, the amount government spends on legal aid is minuscule. Does this or any other Government want this ordinary man or woman to obtain justice?

Stanley Best,
116 London Road,
Southborough,
Tunbridge Wells, Kent.

Plutonium

From the Director, Division of Public Information,
International Atomic Energy Agency.
Sir—This is in reference to the article on March 11 entitled

"UK plutonium helped Japan's nuclear effort" which contains the following misleading sentence: "The export order was approved by International Atomic Energy Agency, custodian of the non-proliferation treaty."

While the IAEA applies safeguards in states party to the non-proliferation treaty under safeguards agreements concluded with these states, it is not correct to state that export orders are approved by the agency. The agency has nothing to do with commercial transactions and has no power to either approve or not to approve them. Nor is the agency "custodian of the NPT." Georges Delcologne,
Wagramstrasse 5,
P.O. Box 100, A-1400,
Vienna, Austria.

Worldly

From Mrs M. Miller

Sir—As a peace woman — Women's International League for Peace and Freedom, and West Oxon Peace Group — I'm getting very bored with being called a dupe of the USSR, unintentional or intentional (March 22). Just because I don't agree with government policy and have not done so since I began to vote, doesn't mean that I am a Communist. Nor do I see all government supporters as war-mongers. Douglas Hurd, my MP, I know works as hard as he can for arms control. But I am not politically naïve; I don't appreciate being told that I should see the world as it really is. What does this mean? I see the world the way it is to my perceptions, which I have gathered from my (grammar school/university) education, my upbringing, information available and experience. This view is bound to differ from the male/public school/politician/civil servant view, but it is no less valid.

I can't see that threat of Russian invasion of Germany is any

more real now than in the days of détente and the Helsinki agreement. Afghanistan has happened, but so has El Salvador.

So some think the Soviets want to conquer the world, and particularly the UK, and set up a worldwide Communist state. Equally the US wants to conquer the world and set up "nations" of free enterprise. That is the real world that I see—a balance of power, which existed long before Mrs Thatcher tried to make us see the Russian threat as a Fascist one.

So where do we go from here? Do we continue to listen to the Thatcher/Reagan rhetoric about the Red threat, continue to stockpile weapons to "defend" ourselves, continue to divide the nation into confronting camps of "multis" and "unis"? Or do we want to continue to maximise pressure on the negotiators (on both sides) to reduce and control armaments to try to make chinks in the Iron Curtain to reduce East/West tension, all the time holding fast to our own personal independence, integrity and love of living in a free, open society?

(Mrs) Margaret Miller,
Pump Close,
Skilton, Ozo.

Missions

From Mr A. Hallsworth

Sir—Even if unwittingly, Robin Bruce Lockhart (March 22) may have identified the true nature of Monsignor Bruce Kent's mission. Surely the Monsignor has never relinquished "his first duty as a priest, preparing souls for the next world." Clearly, within this brief, he is allowed to try to ensure that we do not all leave this world far too early—and all at the same time!

Alan Hallsworth,
9 Alford Road, Parbrook,
Portsmouth, Hants.



A green earth or a dry desert?

There may still be time to choose

The World is destroying its tropical rainforests. That the forest have gone, and the speed of destruction is accelerating. If this continues we will lose for ever the earth's greatest treasure house of plants and animals, perhaps our most valuable natural resource for the future. In the next 25 years the vast forests of Malaysia and Indonesia could be gone forever, leaving erosion to turn a green paradise into a barren wasteland.

It's happening partly because the local people depend upon the forests for their immediate needs for survival, partly because of demand in the developed world for tropical timber.

In 1980 the WWF and other authorities published a plan for developing resources without destroying them. We need your help to ensure that it is put into action. Write to WWF for more information. It could be the most important letter you ever write.

World Wildlife Fund - UK, P.O. Box 100,
11-13 Oakfield Rd, Godalming, Surrey GU8 4NF
WWF FOR WORLD CONSERVATION

Scottish investment trusts in merger

BY RAY MAUGHAN

Mr Davis said that in DIY "we

In the past year sales advanced by £135.7m to £664.1m, from which a trading surplus of £24.5m (£19m) was attained.

The final dividend is 1.05p, as forecast with details of the rights issue in July. This pushes up the total from 1.45p to 1.75p net.

In the year regular income rose 2S per cent to £9.17m. The pre-tax profit was struck after interest charged £572.000 (£527.000) and share of associates' loss £36.000 (£17.000). Tax takes £180.000 (£135.000) and

Turning to the current year they say that during the past two months, there has been a meaningful increase in sales. The UK operation is showing definite indications of improvement in both turnover and forward orders which are well ahead of

31 68p (57.13p) on a net distribution basis.

In spite of the sale of 750 acres to NCB, a joint professional valuation as at December 31 1982 shows the group property at £12.17m, against £5.45m in 1980.

The directors have decided to increase the housebuilding activities and intend to raise 1983 sales "very considerably" over last year's levels, and the initial results are promising.

Recent approvals of local plans have made available to the company ample supplies of building land for a "high level of activity at least to the end of the decade." As an immediate step the directors have decided on a vigorous marketing campaign.

The company also has farm rents fell due for review this year and satisfactory agreements were reached in most cases.

ducing.

Rightwise has also declared a 10 per cent interim dividend in lieu of the final for the existing ordinary shares in respect of 1982.

Since Darby Group, which holds 327,000 ordinary shares (40.9 per cent) of Surmah has irrevocably accepted the offer, and the holders of 311,995 shares (39 per cent) have indicated they intend to accept.

The Surmah directors and their advisers are considering the offer and say shareholders should retain their holdings and take no action until they contact them shortly.

ness Lornbo should not have been prevented from making a bid for the company.

He stressed: "Lornbo has not been fairly treated in this matter. It cannot be allowed to rest. We have a substantial interest in the House of Fraser which we are determined to protect and enhance."

He said that the logic for a demerger of Harrods from House and Guest Keen & Nettlefolds about the future of Lornbo's management steel company in Sheffield, Hadfields, Mr de Cunn said: "We are hopeful that the discussions will lead to a rationalisation of the industry."

As these discussions are in progress at the present time, I would assume that shareholders would not expect me to say more

The two London directors "aired a number of their concerns." Coopers and Lybrand states that it has "not attempted to audit the data provided or to

drop in the price of North American newsprint in November badly affected Bowater's second half results. The average expectation of around £80m pre-tax profit for 1982, compared with £107m for the previous year, is still seen as optimistic by some analysts. The £10m fall in dollar earnings, which produced three-quarters of Bowater's profits in previous years, was partially offset by favourable exchange rates and lower operating costs. The UK business has been hit by redundancy bills and increased European competition.

[illegible]

STORY

[illegible]

Somthing	1,031.30	70%	-2%	Gen. Motors	747.70	60%	-1%	Industrials plus 40 Utilities.	40 Financials and 20 Transports.	e Closed
Waste Mgmtg	978.40	45%	-4%	AM Motors	724.90	5%	-3%	Unavailable.		
								Vielmont	4,250	-10
								90% Asia	15,800	+800
								c Prof	10,600	-8
								Winterbur	2,800	-105
								Zurich Ins	17,178	+15
								Individual companies on this page are "closed" or "suspended."		
								Individual companies are last traded price.		
								suspended.	\$4.55	+100

FOREIGN EXCHANGES

\$ and £ easier

The dollar and sterling lost ground in this foreign exchange trading. Eurodollar interest rates were generally firm, but the U.S. currency weakened in early trading, and then showed little movement for the rest of the day. Sterling remained depressed by concern that world oil prices will continue to decline despite the recent Opec agreement, although the trade-weighted index finished unchanged at 76.1. It also opened at 76.1, but fell to 76.0 at noon. The pound fell to a low of \$1.4565-1.4575 in early trading, but improved to a peak of \$1.4630-1.4640 in the afternoon, before closing at \$1.4600-1.4610, a fall of 30 points on the day. Sterling also fell to DM3.53 from DM3.525 against the D-mark; to FF 16.55 from FF 16.6050 against the French franc; to SwFr 3.0175 from SwFr 3.03 in terms of the Swiss franc; and to Y46.50 from Y46.75 against the Japanese yen.

THE POUND SPOT AND FORWARD

Mar. 25	Day's spread	Close	One month	% change	Three months	% change
U.S.	1.4565-1.4640	1.4600-1.4610	0.17-0.12	1.18	0.22-0.27	1.08
Canada	1.7970-1.7995	1.7970-1.7995	0.23-0.18	1.30	0.33-0.40	1.07
Switzerland	3.0175-3.03	3.0175-3.03	0.02-0.01	0.67	0.05-0.06	0.64
Germany	3.53-3.54	3.53-3.54	0.02-0.01	0.58	0.05-0.06	0.58
France	16.55-16.605	16.55-16.605	0.05-0.04	0.30	0.10-0.11	0.29
Italy	11.10-11.12	11.10-11.12	0.02-0.01	0.18	0.05-0.06	0.18
Spain	166.50-167.00	166.50-167.00	0.02-0.01	0.12	0.05-0.06	0.12
Japan	236.00-237.00	236.00-237.00	0.02-0.01	0.08	0.05-0.06	0.08
Sweden	2.46-2.47	2.46-2.47	0.02-0.01	0.08	0.05-0.06	0.08
Norway	10.50-10.55	10.50-10.55	0.02-0.01	0.08	0.05-0.06	0.08
Denmark	16.50-16.55	16.50-16.55	0.02-0.01	0.08	0.05-0.06	0.08
Belgium	36.50-36.55	36.50-36.55	0.02-0.01	0.08	0.05-0.06	0.08
Netherlands	2.20-2.21	2.20-2.21	0.02-0.01	0.08	0.05-0.06	0.08
Australia	0.75-0.76	0.75-0.76	0.02-0.01	0.08	0.05-0.06	0.08
New Zealand	0.45-0.46	0.45-0.46	0.02-0.01	0.08	0.05-0.06	0.08
South Africa	0.65-0.66	0.65-0.66	0.02-0.01	0.08	0.05-0.06	0.08
Portugal	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Greece	340.00-341.00	340.00-341.00	0.02-0.01	0.08	0.05-0.06	0.08
Israel	1.70-1.71	1.70-1.71	0.02-0.01	0.08	0.05-0.06	0.08
India	7.50-7.55	7.50-7.55	0.02-0.01	0.08	0.05-0.06	0.08
China	2.40-2.45	2.40-2.45	0.02-0.01	0.08	0.05-0.06	0.08
South Korea	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Thailand	50.00-50.50	50.00-50.50	0.02-0.01	0.08	0.05-0.06	0.08
Philippines	50.00-50.50	50.00-50.50	0.02-0.01	0.08	0.05-0.06	0.08
Malaysia	2.40-2.45	2.40-2.45	0.02-0.01	0.08	0.05-0.06	0.08
Singapore	2.40-2.45	2.40-2.45	0.02-0.01	0.08	0.05-0.06	0.08
Brunei	2.40-2.45	2.40-2.45	0.02-0.01	0.08	0.05-0.06	0.08
Indonesia	1,600.00-1,610.00	1,600.00-1,610.00	0.02-0.01	0.08	0.05-0.06	0.08
Maldives	1.00-1.05	1.00-1.05	0.02-0.01	0.08	0.05-0.06	0.08
Sri Lanka	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Burma	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Myanmar	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Nepal	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Bhutan	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Timor	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
East Timor	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Laos	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Cambodia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
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Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
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Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
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Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ghana	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
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Sierra Leone	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Liberia	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.08
Ivory Coast	200.00-201.00	200.00-201.00	0.02-0.01	0.08	0.05-0.06	0.0

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Queen Margaret Mines 10 1/2 11 1/2
P&A Comm 11.6 \$250 (27/3)

[illegible]

Super Value Stores U.S.\$28 (10/2)
Superior Oil U.S.\$32
Super Stores 78 78 78 (10/3)

[illegible]

West Coast Trans. 735
Western Coal and Uranium & Co. (21/5)

[illegible]Banque Nationale de Paris 5 1/2pcp (K1) 60
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Greenwood Hldgs. 124pc (50p), 504 416
122/31

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Rangers FC (E1) E13
Rocks Service (10p) 17 A (22/5)

RULE 606 (3)

Dealers for approved companies
dealing subject in mineral
exploration

Celtic Basin Oil Exploration £(1) 26 (£2/2)
Kensmore Oil Exploration £(2/1)
Suffolk Resources £(2/1)
(By permission of the Stock

Exchange Council)

[illegible]

PHRSPDP24E	95.0	100.0	=====
Dep Pen Ac	95.0	100.0	=====
Control Unit	Rates available on request.		

AmPac	137.0	+0.2	
AmPac	136.0	+0.2	
AmPac	134.0	+0.2	
AmPac	133.0	+0.2	
AmPac	132.0	+0.2	
AmPac	131.0	+0.2	
AmPac	130.0	+0.2	
AmPac	129.0	+0.2	
AmPac	128.0	+0.2	
AmPac	127.0	+0.2	
AmPac	126.0	+0.2	
AmPac	125.0	+0.2	
AmPac	124.0	+0.2	
AmPac	123.0	+0.2	
AmPac	122.0	+0.2	
AmPac	121.0	+0.2	
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Target House, Gatehouse Road, Aylesbury.
Bucks. Aylesbury MK25 5Z41

U.S. Dollar	122.9	+0.5	U.S. Dollar	122.9	+0.5
Swiss Franc	122.9	+0.5	Swiss Franc	122.9	+0.5
Japanese Yen	122.9	+0.5	Japanese Yen	122.9	+0.5
Deutsche Mark	122.9	+0.5	Deutsche Mark	122.9	+0.5
French Franc	122.9	+0.5	French Franc	122.9	+0.5
British Pound	122.9	+0.5	British Pound	122.9	+0.5
Italian Lira	122.9	+0.5	Italian Lira	122.9	+0.5
Spanish Peseta	122.9	+0.5	Spanish Peseta	122.9	+0.5
Portuguese Escudo	122.9	+0.5	Portuguese Escudo	122.9	+0.5
Belgian Franc	122.9	+0.5	Belgian Franc	122.9	+0.5
Dutch Guilder	122.9	+0.5	Dutch Guilder	122.9	+0.5
Austrian Schilling	122.9	+0.5	Austrian Schilling	122.9	+0.5
Swedish Krona	122.9	+0.5	Swedish Krona	122.9	+0.5
Norwegian Krone	122.9	+0.5	Norwegian Krone	122.9	+0.5
Denmark Krone	122.9	+0.5	Denmark Krone	122.9	+0.5
Finland Markka	122.9	+0.5	Finland Markka	122.9	+0.5
Yugoslav Dinar	122.9	+0.5	Yugoslav Dinar	122.9	+0.5
Czech Koruna	122.9	+0.5	Czech Koruna	122.9	+0.5
Slovak Koruna	122.9	+0.5	Slovak Koruna	122.9	+0.5
Hungarian Forint	122.9	+0.5	Hungarian Forint	122.9	+0.5
Romanian Leu	122.9	+0.5	Romanian Leu	122.9	+0.5
Bulgarian Lev	122.9	+0.5	Bulgarian Lev	122.9	+0.5
Greek Drachma	122.9	+0.5	Greek Drachma	122.9	+0.5
Turkish Lira	122.9	+0.5	Turkish Lira	122.9	+0.5
Israeli Sheqel	122.9	+0.5	Israeli Sheqel	122.9	+0.5
Indian Rupee	122.9	+0.5	Indian Rupee	122.9	+0.5
Pakistani Rupee	122.9	+0.5	Pakistani Rupee	122.9	+0.5
Sri Lankan Rupee	122.9	+0.5	Sri Lankan Rupee	122.9	+0.5
Thai Baht	122.9	+0.5	Thai Baht	122.9	+0.5
Singapore Dollar	122.9	+0.5	Singapore Dollar	122.9	+0.5
Malaysian Ringgit	122.9	+0.5	Malaysian Ringgit	122.9	+0.5
Philippine Peso	122.9	+0.5	Philippine Peso	122.9	+0.5
Indonesian Rupiah	122.9	+0.5	Indonesian Rupiah	122.9	+0.5
Brunei Dollar	122.9	+0.5	Brunei Dollar	122.9	+0.5
Myanmar Kyat	122.9	+0.5	Myanmar Kyat	122.9	+0.5
Burmese Kyat	122.9	+0.5	Burmese Kyat	122.9	+0.5
Cambodian Riel	122.9	+0.5	Cambodian Riel	122.9	+0.5
Laotian Kip	122.9	+0.5	Laotian Kip	122.9	+0.5
Vietnamese Dong	122.9	+0.5	Vietnamese Dong	122.9	+0.5
North Vietnamese Dong	122.9	+0.5	North Vietnamese Dong	122.9	+0.5
South Vietnamese Dong	122.9	+0.5	South Vietnamese Dong	122.9	+0.5
Chinese Yuan	122.9	+0.5	Chinese Yuan	122.9	+0.5
Taiwan Dollar	122.9	+0.5	Taiwan Dollar	122.9	+0.5
Hong Kong Dollar	122.9	+0.5	Hong Kong Dollar	122.9	+0.5
Macao Pataca	122.9	+0.5	Macao Pataca	122.9	+0.5
Mongolian Tugrik	122.9	+0.5	Mongolian Tugrik	122.9	+0.5
Kazakhstani Tenge	122.9	+0.5	Kazakhstani Tenge	122.9	+0.5
Uzbekistani Som	122.9	+0.5	Uzbekistani Som	122.9	+0.5
Tajikistani Somoni	122.9	+0.5	Tajikistani Somoni	122.9	+0.5
Kirgizistani Som	122.9	+0.5	Kirgizistani Som	122.9	+0.5
Armenian Dram	122.9	+0.5	Armenian Dram	122.9	+0.5
Georgian Lari	122.9	+0.5	Georgian Lari	122.9	+0.5
Abkhazian Tetri	122.9	+0.5	Abkhazian Tetri	122.9	+0.5
South Ossetian Tetri	122.9	+0.5	South Ossetian Tetri	122.9	+0.5
Ingush Tetri	122.9	+0.5	Ingush Tetri	122.9	+0.5
Dagestan Tetri	122.9	+0.5	Dagestan Tetri	122.9	+0.5
Chechen Tetri	122.9	+0.5	Chechen Tetri	122.9	+0.5
Ingush Tetri	122.9	+0.5	Ingush Tetri	122.9	+0.5
Dagestan Tetri	122.9	+0.5	Dagestan Tetri	122.9	+0.5
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Ingush Tetri	122.9	+0.5	Ingush Tetri	122.9	+0.5
Dagestan Tetri	122.9				

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Schroder Money Funds Ltd.

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AEG collapse hits Dresdner Bank

BY STEWART FLEMING IN FRANKFURT

FALLING INTEREST rates helped Dresdner Bank, West Germany's second largest commercial bank, to record peak operating earnings in 1982. Heavy write-offs on major corporate collapses such as AEG-Telefunken, however, coupled with provisions against potential bad debts, have sharply reduced profitability. As a result, the parent bank has reported unchanged net income of DM 159m (\$57.4m) and has confirmed that it intends to maintain its annual dividend of DM 4. In 1979, before the bank's earnings dropped sharply, it paid a dividend of DM 9. The assets of the parent bank rose 5 per cent to DM 83.6bn. The Dresdner Bank group, which has assets of DM 137bn,

reported a net income rise from DM 169m to DM 208m, reflecting an improved performance in the consolidated subsidiaries where, for example, loan losses have been lower. The Dresdner Bank group as a whole, which includes non-consolidated subsidiaries, has total business volume of DM 180bn but does not publish a profit and loss account on a consolidated basis. The rise to new peaks in operating profitability, in the parent bank in particular, reflected the faster fall in funding costs relative to lending charges, and the associated widening of interest margins from 2.2 per cent to 2.6 per cent on average over the year. But the financial problems of some of the bank's customers, among them AEG-Telefunken,

Electrolux pre-tax results rise 71%

By David Brown in Stockholm

Electrolux, the Swedish household appliances group, yesterday reported a 71 per cent improvement in pre-tax earnings from SKr 355m to SKr 609m (\$81m) for 1982. Income before allocations and taxes at SKr 567m, however, was only just over half the 1981 level, because of an extraordinary gain of SKr 772m recorded in the previous period against a loss of SKr 42m in 1982. Net income of SKr 301m compared to SKr 161m the previous period. Three-quarter of sales, which grew by 19 per cent to SKr 3.16bn, were outside Sweden. Operating income was ahead by 12 per cent to SKr 1.9bn. Net financial expenses at SKr 1.2bn were steady, bringing income after financial items to SKr 710m. Foreign exchange differences of SKr 101m were down from the SKr 153m recorded in 1981.

The earnings improvement was attributed to internal rationalisation measures which were not expected to have their full impact until 1983. Market shares in most products improved, and most units were able to reduce costs due to much lower demand. The group sold its FACET appliance subsidiary to the LHM Ericsson telecommunications group early this year. The Granges metal and engineering unit sold its Platzer AB construction subsidiary. Net income per share grew from SKr 9.80 to SKr 13.40. The board is proposing a dividend of SKr 9 per share, up from SKr 8 for a total of SKr 223m. The group sees further improvement for 1983.

Property sale helps Hopewell first half

BY ROBERT COTTRELL IN HONG KONG

HOPWELL HOLDINGS, the Hong Kong property and construction group, has reported attributable interim profits of HK\$88.3m (U.S.\$12.5m) for the six months to December 31, 1982, against HK\$38.1m for the same period in 1981. Recurrent net earnings were sharply lower at HK\$13.7m against HK\$69.6m previously but the group more than made up the shortfall with an extraordinary gain of HK\$89.6m from the sale of a residential development, Shin Fai Terrace. The interim dividend is halved, at two cents. Hopewell also says it has agreed to set up a joint venture with China's Shenzhen Special Economic Zone Development Company to develop Shenzhen railway station and associated buildings. Hopewell says it will arrange HK\$300m financing for the 30,000 square metre site. Hopewell says its results reflect provisions against some of its properties and invest-

ments. Two other property groups, Sun Hung Kai Properties and Hang Lung Development, have reported interim results for the period to December 1982, which illustrate further the parlous state of the Hong Kong property market. Net profits at SHK Properties fell more than 50 per cent, to HK\$24.5m, from HK\$49.6m, the previous year. The interim dividend has been maintained at 24 cents and compares with a final dividend of 64 cents paid for the year to June 30, 1982. Hang Lung experienced an even sharper fall in net profits, down to only 24 per cent of the previous year's figure at HK\$52.6m. Earnings per share were cut by a similar proportion to 12.2 cents from 50.9 cents. An interim dividend of 7 cents, compared with 10 cents in the same period in 1981 and a full year dividend of 25 cents per share to June 30, 1982, is being paid.

Canon's net income up by 40% last year

By Our Financial Staff

CANON, Japan's leading camera maker, has reported an increase of almost 40 per cent in group net profits, to ¥22.4bn (\$94.5m) from ¥16.2bn for 1982. Group turnover was up 23.2 per cent at ¥590.5bn. Sales of the group grew in all sectors, particularly in office equipment, up 35.2 per cent to ¥310bn. Camera sales, however, rose more modestly, by 11.3 per cent, to ¥225bn. Profits per share were ¥57.29 against ¥47.37. The group results were a significant improvement over those for the parent company released last month. Unconsolidated net income was up only 6.3 per cent at ¥16.7bn, and sales on the same basis up 8.7 per cent at ¥306.5bn. Parent company pre-tax profits were ¥28.5bn compared with ¥25.2bn for the group as a whole. For 1983, Canon is forecasting a rise of more than 15 per cent in group sales. It was unwilling to make a prediction for net profits.

New England Mutual to offer discount brokerage

BY PAUL TAYLOR IN NEW YORK

NEW ENGLAND Mutual Life Insurance, the 14th largest U.S. life insurance group, plans to enter the discount brokerage business in May through its national network of life insurance salesmen.

The move is the latest in a series of diversifications within the U.S. financial services industry which are breaking down the traditional barriers between the banking, insurance and securities sectors.

New England Mutual will be the first major insurer to enter the discount brokerage industry by this route, although other insurers like Prudential have moved into the securities business by buying full service firms.

The banks have also been moving into the discount brokerage field. BankAmerica recently completed the acquisition of Charles Schwab, the nation's largest discount brokerage house. Several other banks,

including Security Pacific and Chase Manhattan, have also recently announced major acquisitions. Earlier this week Marine Midland, the 16th largest U.S. bank in which Hongkong and Shanghai Bank has a 51 per cent stake, announced that it has begun to offer bank customers discount brokerage services.

New England Mutual says its scheme is designed to provide a complementary service to selling life insurance, while obtaining a foot in the securities industry without the expense of buying a firm. The insurance company's sales agents will be encouraged to take orders from customers which will then be placed through the Fidelity group.

New England Mutual has total assets of about \$19bn of which about \$8.1bn relates to the insurance business.

Consortium to buy 56% stake in Italian insurer

BY JAMES BUXTON IN ROME

A CONSORTIUM led by IFI, the holding company of the Agnelli family, is to buy the majority stake in Toro Assicurazioni, Italy's eighth largest insurance company.

The consortium, called Finsecur, is to pay "almost L300bn (\$210m) in stages for the 56 per cent stake in Toro held by La Centrale, the finance company half owned by Nuovo Banco Ambrosiano, the successor to the late Sig. Roberto Calvi's Banco Ambrosiano.

IFI is the vehicle through which the Agnelli family controls the Fiat group. Finsecur, in which IFI has a majority stake, includes the Ferrero confectionery group, the Acute family and probably another family company. All are based, like Toro itself, in Piedmont, north-west Italy.

The consortium was formed towards the end of 1982 with a view, IFI says, to end the

uncertainty over the future of Toro caused by the bankruptcy last summer of Banco Ambrosiano. The seven-bank consortium which owns Nuovo Banco Ambrosiano and controls La Centrale decided to sell Toro.

Last summer IFI signalled its intention of moving back into the insurance industry by buying 40 per cent of the Lloyd Adriatico insurance concern. Until seven years ago it controlled the SAI insurance group.

In a separate development, announced yesterday, Sig. Mario Gabrielli, director-general of La Centrale, is to take the important job of financial director of ENI, the Italian state energy group and one of the largest companies outside the U.S. Earlier, Sig. Gabrielli was for eight years finance director of Olivetti.

His appointment is significant because of the weak state of ENI's finances.

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MARKET REPORT

Investors remain cautious but underlying tone holds steady to firm—Share index improves 2.1 to 656.9

Account Dealing Dates
Options
*First Declared Last Account
Dealings Dates Dealings Day
Mar 21 Mar 18 Mar 28
Mar 21 Apr 7 Apr 18
Apr 11 Apr 21 Apr 22 May 3
New-time dealings may take
place from 9.30 am two business days
earlier.

London stock market finished the first leg of the extended Easter trading Account on a quietly steady note, after a week in which sentiment has been adversely affected by the continued slide in sterling. Still far from showing confidence, the pound's more stable trend yesterday helped to maintain Thursday's improved tone in Gills and equities.

Wall Street's overnight advance to a record peak and the "fortress" relief at coming a second in the Darlington by-election lent weight to an early improvement in leading shares. Buyers, however, continued to hold off in the face of continuing oil price uncertainties. As a result, early gains were usually erased and most quotations closed little changed on the day.

Measuring the tone, the Financial Times Industrial Ordinary share index, 1.6 higher at the first calculation and 2.1 up two hours later, drifted back to show a loss of 0.2 at 2 pm before closing 2.1 up on the day at 656.9 helped by a late burst of strength in Glaxo which ended 80 up at an all-time high of 820p on fresh U.S. support ahead of the group's preliminary results, due shortly. Over the week, the index recovered 1.5 of its loss.

The week's steady stream of bids was rounded off yesterday with an offer by Rightwise for Surmah Valley, an approach for Trident TV, and a proposed merger between Edinburgh Investment Trust and Scottish United Investors. Overall conditions remained extremely quiet, but trading statements were again fairly numerous and claimed a considerable amount of attention.

Gilt-edged securities maintained Thursday's harder trend. Business was small ahead of the week-end, but the underlying tone held steady, with firm quotations at the long end of the market improving gradually to close around 1 higher. Treasury 12 1/2 per cent 1986 Convertible were again outstanding in the shorts with a further rise of a point to 108 1/2, while gains in the area being limited to 1/4. Ahead of next Monday's final call of around 151 1/4, Exchequer 10 1/2 per cent 1984 A, held at 29 1/4 in 230-paid form.

CU good

Commercial Union provided a firm contrast in otherwise dull Composite Index, rising 1 1/4 to 134p, after 135p, on the annual report in which the chairman forecasts maintenance of the 1982

dividend. GRE, with preliminary figures scheduled for next Wednesday, dipped 6 to 418p. Sun Alliance gave up 5 to 970p as did Royal, to 503p, while General Accident relinquished 4 to 392p. Elsewhere, Hogg Robinson put on 3 to 107p; The Kuwait Investment Office owns a near 10 per cent stake in the company. A rising market early in the week helped by good results from Prudential and Britannic Life Insurance were firm again yesterday and closed at a new high in the FT Actuaries sector index. Prudential closed the week 22 up at 400p.

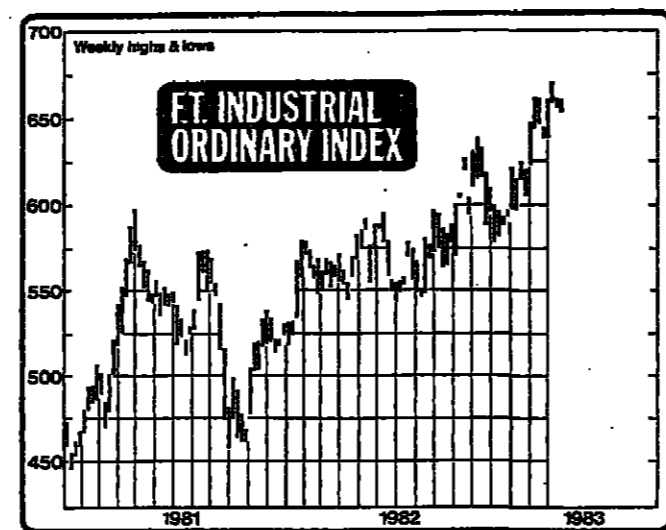
The major clearing banks ended the week on a quietly firm note. Barclays put on 6 to 488p and Midland narrowed a few pence to 375p. Continuing to draw strength from the impressive annual figures, Standard Chartered added 8 more at 488p. Manchester Place dipped 3 to 30p on the disappointing interim profits.

Macallan-Glenlivet were marked 10 higher to 520p following the full-year figures. Elsewhere in the drinks sector, CAMRA (Real Ale) Investments also announced annual results and put on 5 to 125p.

Occasional small offerings and lack of interest again left their mark on leading Blue-chips. The tone improved late after a broker's optimistic review of the sector, but this failed to generate any worthwhile business and quotations remained at the lower levels. Redland closed a net 6 off at 257p, while BMC softened 3 to 391p. London Brick lost the turn to 153p. The Timber

sector again featured Meyer International, which attracted another lively trade and touched a 1982-83 peak of 141p before closing 2 dearer on balance at 139p. Elsewhere, Tilbury Group attracted renewed support and firmed 6 to 140p and Marchwell improved 4 to 216p. John Brown, still reflecting the planned U.S. acquisition which is to be partly financed by a rights issue, rose 6 more for an advance on the week of 24 to a 1982-83 peak of 250p. The group, up 10 on Thursday on the announcement that Mr Peter Meyer and a related trust had increased their stake in the company to 18.5 per cent, came back a couple of pence to 129p. Sheffield Bright, good earlier in the week on the Lowes-light cash injection, also gave up 2, but ended 7 up on the week at 32p. Whatlings firmed 3 to 73p after Press comment suggesting the company was a takeover target.

Business in ICI failed to expand and the price fluctuated narrowly before closing unchanged at 400p. Among other Chemicals, Laporte edged up 3 to 240p and Rentokil 2 to 240p. UBS, after the increased cash offer below Bassishaw, but some 4 below Hanson Trust's revised



terms. Hanson hardened a penny to 185p. Burton attracted steady support on talk of a broker's bullish circular and put on 6 to 327p. Harris Queensway dipped sharply to 315p following the surprise announcement of a 23.5m rights issue, but rallied on a closer examination of the preliminary results and statement to close unchanged on balance at 328p. Harris has denied any predatory interest in Waring and Gillow which rose sharply on Thursday following news of a bid approach. Waring eased 5 to 135p retained a gain on the week of 40. Other speculative favourites to make good progress included Owen Owen, 14 up at 190p, Cantors A, 7 better at 62p, and Martin The Newsagent, 15 dearer at 178p, but Mellins, due to announce annual results next Tuesday, eased 7 to 135p. Further consideration of the interim results clipped 5 from James Walker, 45p, while the A eased 3 to 33p.

Down 17 the previous day on concern about a possible protracted legal dispute with Motorola of the U.S., Rascal regained composure with a rally of 16 to 434p. Other Electrical leaders closed firm with Plessey 7 better at 543p and Thorn EMI the same amount higher at 487p. Secondary issues firmed for a jump on Thursday of 29 to 474p in Automated Security following the good results and proposed 100 per cent scrip-issue. Awaiting further news of the minority bid approach from BEI, Rediffusion gained 10 more for a jump on the week of 70 to 330p. Investment recommendations prompted a rise of 9 to 486p in Ferranti and an improvement of 3 to 52p in Knight Computer. Renewed demand on recovery hopes lifted BSR 5 to 60p. Entherm remained friendless and lost 12 at 315p.

John Brown, a rising market of late on talk that the group's turbine division is to be sold to

Hawker, cheapened a penny to 21p in the absence of developments; Hawker lost 8 more to 380p. Elsewhere in Engineering, Manganese Bronze attracted demand and closed 5 to the good at 38p, while Rowland Machine edged forward a penny to 21p in response to an investment recommendation.

Bio-Isolates touched 270p before closing 10 higher on balance at 265p following details of the agreement with Mitchellson Cooperative and Agricultural Society of County Cork, Eire, and of the joint U.S. venture. Further demand in a thin market lifted Carr's Milling 6 for a two-day gain of 15 to 103p, but Barker and Dobson, a good market earlier in the week on acquisition news, softened 1 to 11p despite the chairman's optimistic annual statement.

Trusthouse Forte, reflecting overseas earnings prospects in the wake of sterling's recent poor performance and reports of increased U.S. hotel bookings, put on 6 to 177p. De Vere Hotels, their market, gained 12 to 255p on bid hopes.

Glaxo soar

Already outstanding, market this week on U.S. buying ahead of the interim figures scheduled for April 11, Glaxo soared 80 to close 115 up on the week at 820p following the group's joint 128p. Sheffield Bright, good earlier in the week on the Lowes-light cash injection, also gave up 2, but ended 7 up on the week at 32p. Whatlings firmed 3 to 73p after Press comment suggesting the company was a takeover target.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS					Fri March 25 1983										Highs and Lows Index									
Figures in parentheses show number of stocks per section					1982/83										Since Completion									
Index No.	Day's Change %	Est. Earnings Yield (%)	Gross Div. Yield (%)	Est. P/E Ratio (1981)	Index No.	Index No.	Index No.	Index No.	Index No.	High	Low	High	Low											
1	CAPITAL GOODS (207)	450.46	+0.5	8.73	3.51	14.44	448.18	450.13	456.06	450.68	366.12	465.25 (15/3/83)	351.14 (04/1/82)	465.25 (15/3/83)	50.71 (13/2/74)									
2	Building Materials (23)	445.75	-	9.47	4.33	12.76	445.64	447.14	452.81	446.92	330.64	462.45 (15/3/83)	299.54 (06/1/82)	462.45 (15/3/83)	44.27 (11/2/74)									
3	Contracting, Construction (30)	791.12	+0.1	11.36	4.23	15.90	790.49	792.36	797.40	796.32	610.66	831.09 (15/3/83)	529.58 (06/1/82)	831.09 (15/3/83)	74.42 (12/2/74)									
4	Electricals (52)	463.28	+1.4	7.32	17.56	10.21	461.85	463.02	463.02	463.02	325.59	890.92 (15/3/83)	325.59 (04/2/82)	890.92 (15/3/83)	61.81 (25/8/74)									
5	Engineering, Contractors (10)	443.88	+0.5	15.79	6.74	7.71	442.45	443.88	443.88	443.88	325.08 (04/2/82)	391.02 (15/3/83)	325.08 (04/2/82)	391.02 (15/3/83)	44.39 (21/7/75)									
6	Mechanical Engineering (66)	217.35	-0.4	10.72	5.28	11.26	216.25	218.01	219.16	216.26	199.22	262.58 (15/3/83)	197.11 (04/8/82)	262.58 (15/3/83)	45.43 (6/7/75)									
7	Metals and Metal Forming (11)	178.98	-0.2	11.08	6.55	11.04	177.91	178.95	178.83	175.86	161.08	182.98 (27/1/82)	161.08 (15/3/82)	182.98 (27/1/82)	49.65 (6/7/75)									
8	Motors (18)	95.39	-0.7	0.77	6.56	-	96.07	95.39	95.39	93.83	96.24	128.29 (12/2/82)	72.33 (04/10/82)	128.29 (12/2/82)	39.91 (6/7/75)									
9	Other Industrial Machinery (17)	419.20	-	7.71	5.08	12.22	419.19	419.28	423.37	419.69	373.54	433.20 (15/3/83)	337.32 (09/8/82)	433.20 (15/3/83)	27.15 (05/8/81)									
10	CONSUMER GOODS (200)	412.89	+0.9	10.12	4.30	12.01	412.87	413.07	417.31	407.38	296.40	425.37 (15/3/83)	425.37 (15/3/83)	425.37 (15/3/83)	41.42 (21/2/74)									
11	Beverages and Distillers (23)	346.74	+0.1	11.45	6.83	10.64	346.74	346.74	346.74	346.74	299.25	426.34 (15/3/83)	241.00 (10/2/82)	426.34 (15/3/83)	69.49 (21/7/75)									
12	Food Manufacturing (23)	346.74	-0.1	13.37	5.52	8.77	347.49	346.18	343.93	339.49	271.72	350.37 (15/3/83)	255.63 (23/6/82)	350.37 (15/3/83)	59.47 (12/2/74)									
13	Food Retailing (14)	827.60	-0.1	7.70	2.93	16.33	828.55	832.31	834.28	829.09	603.70	915.86 (17/1/82)	545.79 (01/1/82)	915.86 (17/1/82)	54.52 (12/2/74)									
14	Health and Household Products (8)	742.25	+0.1	5.07	2.32	24.31	755.31	749.89	742.59	734.54	383.70	792.25 (23/8/83)	338.70 (01/1/82)	792.25 (23/8/83)	175.38 (26/8/80)									
15	Leisure (24)	519.44	+1.6	7.81	4.62	16.73	511.41	510.40	512.22	509.22	440.85	594.28 (16/3/83)	395.85 (9/7/82)	594.28 (16/3/83)	54.83 (01/7/75)									
16	Newspapers, Publishing (13)	749.47	+0.5	8.15	8.25	16.37	749.47	749.47	749.47	749.47	555.31	772.29 (24/8/83)	472.39 (24/8/83)	772.29 (24/8/83)	55.06 (06/7/75)									
17	Packaging and Paper (14)	160.39	-0.4	14.52	6.95	4.07	161.01	160.39	160.39	159.83	147.37	170.70 (7/1/82)	130.70 (5/1/82)	170.70 (7/1/82)	43.64 (16/7/75)									
18	Stores (47)	354.87	-	8.55	30.51	15.51	354.78	351.67	352.71	350.28	275.97	397.17 (01/1/82)	238.02 (5/1/82)	397.17 (01/1/82)	52.63 (6/7/75)									
19	Textiles (22)	196.93	-0.1	12.99	6.07	9.27	197.63	196.83	198.45	197.16	172.72	203.00 (15/3/83)	152.91 (5/1/82)	203.00 (15/3/83)	62.66 (12/2/74)									
20	Tobacco (3)	456.10	+0.7	19.20	6.07	5.82	453.09	457.08	463.30	462.20	391.20	516.31 (3/1/83)	258.08 (06/1/82)	516.31 (3/1/83)	94.34 (13/6/82)									
21	Other Consumer (11)	376.22	-0.2	8.54	2.83	-	376.90	374.11	375.21	366.08	294.06	387.18 (15/3/83)	247.81 (3/1/82)	387.18 (15/3/83)	229.84 (28/8/81)									
22	OTHER INDUSTRIES (79)	338.05	+0.3	9.02	4.89	13.68	338.05	338.05	338.05	338.05	338.05	338.05	338.05	338.05	338.05 (15/3/83)									
23	Chemicals (15)	439.66	+0.1	9.18	5.00	11.22	439.66	439.66	439.66	427.21	339.33	436.62 (15/3/83)	297.89 (09/1/82)	436.62 (15/3/83)	71.20 (2/1/74)									
24	Oil Equipment (6)	107.41	+0.4	12.61	5.02	15.66	106.67	106.65	106.35	103.14	125.24	131.88 (27/1/82)	76.52 (22/1/82)	131.88 (27/1/82)	45.34 (21/7/75)									
25	Shipping and Transport (14)	644.41	-0.4	8.21	6.32	10.52	644.74	651.04	654.35	637.31	578.00	684.54 (22/8/83)	646.40 (02/12/82)	684.54 (22/8/83)	90.80 (26/8/82)									
26	Miscellaneous (44)	475.66	+0.3	3.92	14.57	47.44	475.81	475.81	475.81	473.66	324.71	485.56 (16/3/83)	299.92 (5/1/82)	485.56 (16/3/83)	60.39 (16/7/75)									
27	INDUSTRIAL GROUP (486)	433.78	+0.7	9.50	7.22	49.17	435.85	435.85	435.85	433.13	314.16	428.14 (15/3/83)	299.74 (5/1/82)	428.14 (15/3/83)	59.01 (13/2/74)									
28	Oil (24)	754.83	+0.6	16.78	7.75	7.04	749.34	745.94	745.94	736.29	626.64	792.72 (22/8/82)	627.19 (10/3/82)	792.72 (22/8/82)	67.23 (23/6/82)									
29	SO SHARE INDEX	446.54	+0.7	10.55	4.73	11.56	446.54	446.54	446.54	446.54	332.87	516.81 (15/3/83)	458.17 (15/3/83)	516.81 (15/3/83)	63.28 (16/7/75)									
30	FINANCIAL GROUP (123)	443.73	+0.7	10.55	4.73	11.56	443.73	443.73	443.73	443.73	332.87	516.81 (15/3/83)	458.17 (15/3/83)	516.81 (15/3/83)	63.28 (16/7/75)									
31	Banks (6)	339.26	+0.8	26.78	7.35	4.40	332.76	334.79	332.12	324.47	274.23	357.14 (15/3/83)	249.31 (10/1/82)	357.14 (15/3/83)	82.40 (22/2/74)									
32	Discount Houses (5)	298.06	-0.2	8.79	-	298.55	298.06	298.06	298.06	297.32	236.90	334.35 (14/3/82)	221.15 (7/1/82)	334.35 (14/3/82)	61.04 (12/2/74)									
33	Insurance (Life) (9)	399.95	+0.2	5.13	-	399.19	398.26	398.26	398.26	398.26	359.55 (25/3/83)	243.18 (10/2/82)	399.95 (25/3/83)	44.88 (2/7/75)										
34	Insurance (Compensated) (10)	194.98	-	7.51	-	194.90	195.42	194.75	194.75	194.75	166.81	206.80 (31/1/83)	147.23 (25/8/82)	206.80 (31/1/83)	43.96 (12/2/74)									
35	Insurance Brokers (7)	393.22	+0.2	11.10	4.93	12.27	392.62	393.34	394.82	393.34	368.85	393.22 (31/1/83)	310.59 (31/1/82)	393.22 (31/1/83)	55.86 (16/2/74)									
36	Merchant Banks (13)	412.60	+0.1	5.81	11.22	412.60	412.60	412.60	412.60	412.60	332.87	516.81 (15/3/83)	458.17 (15/3/83)	516.81 (15/3/83)	63.28 (16/7/75)									
37	Property (54)	464.37	+0.1	5.55	3.84	23.82	462.91	464.37	464.37	464.37	455.92	474.77 (10/3/83)	370.29 (22/1/82)	474.77 (10/3/83)	51.77 (24/81)									
38	Other Financial (14)	263.61	+2.0	10.99	4.81	10.92	258.29	258.29	258.29	258.29	199.25	263.61 (25/3/83)	157.25 (26/1/82)	263.61 (25/3/83)	33.39 (17/2/74)									
39	Investment Trusts (109)	418.33	+0.3	4.08	-	416.97	418.33	418.33	418.33	409.89	295.84	418.33 (25/3/83)	283.53 (6/1/82)	418.33 (25/3/83)	71.65 (12/2/74)									
40	Mining Finance (9)	253.29	+0.3	7.24	5.62	19.28	253.98	249.03	249.03	242.49	204.68	278.63 (11/2/83)	149.40 (22/6/82)	278.63 (11/2/83)	66.31 (30/9/74)									
41	Overseas Trades (16)	433.73	+0.2	9.32	8.31	15.28	433.73	433.73	433.73	433.73	320.00	421.15 (15/3/83)	320.00 (15/3/83)	421.15 (15/3/83)	60.71 (6/7/75)									
42	ALL-SHARE INDEX (750)	413.74	+0.6	-	4.93	-	413.20	413.29	413.46	406.21	320.00	421.15 (15/3/83)	320.00 (15/3/83)	421.15 (15/3/83)	61.92 (13/2/74)									

FIXED INTEREST					AVERAGE GROSS REDEMPTION YIELDS					1982/83					
Index No.	Day's change %	Thurs March 24	Thurs adj. today	Thurs adj. 1983 to date	British Government	5 years	10 years	15 years	20 years	High	Low				
1	British Government	116.90	+0.17	116.78	0.00	2.38	6	11	12	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
2	5 years	116.90	+0.17	116.78	0.00	2.38	6	11	12	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
3	5-15 years	116.90	+0.17	116.78	0.00	2.38	6	11	12	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
4	Over 15 years	116.90	+0.17	116.78	0.00	2.38	6	11	12	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
5	Irredeemable	137.96	+0.56	136.17	-	1.62	10	11	12	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
6	All Stocks	127.40	+0.36	127.15	0.06	2.79	11	12	13	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
7	Redeemable and Loans	180.33	+0.31	180.01	-	2.90	11	12	13	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)
8	Preference	90.00	+0.02	89.99	-	2.10	14	15	16	12.38	12.43	14.59	17.87	17.87 (12/1/82)	11.11 (23/1/82)

INSURANCE & OVERSEAS MANAGED FUNDS

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OFFSHORE AND OVERSEAS

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MAN IN THE NEWS

TUC's policy pilot

BY JOHN LLOYD

BUCKING the trend among AB males, David Lea took up smoking in the past year—in order, perhaps, to ensure that the rooms in which he made policy for a future Labour Government really were smoke filled.

Lea, the TUC's Assistant General Secretary and its senior economist has over the past two years or more thumped and shouted his way through the endless visions and revisions which make up "Partners in rebuilding Britain"—the TUC-Labour Party pact launched this week which is to underpin Labour's bid for office, when it gets the chance.

Together with Geoff Bish, the other joint secretary of the TUC-Labour Party Liaison Committee and Labour's research director, Lea has guided the process through the narrow channels of Labour movement policymaking, ever watchful for always having regard for Wage Norm Rock. Both have shed



David Lea

the Shoals of Adventurism and much hair in that movement's service and both can expect the reward customarily reserved for faithful bureaucrats — the blame.

Both have the thick carapaces of cynicism which the job demands: but both, too, have the reserves of idealism and the instinct for power which are its other essential qualifications. Veterans of the 70s campaigns, they bear the scars but now know when to duck: their skills this time round were exercised not so much in drafting but in power brokering between the centres of influence within the movement. "I think I can get to parts of the movement which other bureaucrats cannot reach," says Lea.

Lea is by far the more ebullient of the two, more prone to the rushes of blood to the head, with an appetite for brainstorming sessions where ideas tumble forth and clash against each other in promiscuous profusion. His blunders of enthusiasm are legend in Congress House — the most recent was his mistaking of the British Ambassador to Moscow for a British gas official, and his treating of the distinguished diplomat to a harangue on gas prices — but any repercussions appear to bounce off his hide.

This high energy field approach to life and work serves him best in combative arenas, where he can hold his own before sceptical or hostile audiences by staying on constant attack. The high octane mixture of intellectual agility and physical clumsiness which can lead him to clinch an argument with his elbow in the soup is best directed against a specific target: without it, he sometimes seems in danger of bumping himself to a standstill against brick walls.

He has been with the TUC since 1962, after taking the economics degree at Cambridge and serving a two and a half year spell at the Economist Intelligence Unit as a transport economist. Before going up for an interview with the TUC's chief general secretary, George Woodcock, Lea Murray, then head of the economics department, advised the young Lea: "When he asks you about politics, say you aren't interested." He did, and got the job.

Bish appears the more deliberate of the two: he readily admits that the central feature of the pact—the fusion of industrial democracy with planning powers which, in the early 70s, still had the smell of failure associated with George Brown's national plan. The two institutions, he says, are bound to tug different ways—but somehow we get out something that makes sense in the end. Only a Labour Government will test whether or not it does make sense: the Lea-Bish partnership would be influential within such a Government.

Hanson faces Richard Shops buy-out plan

BY RAY MAUGHAN

MANAGEMENT of a key division of the UDS Group yesterday backed the consortium bid by Bassishaw Investments against the £260m rival offer from the drapery group from Hanson Trust, the diversified industrial holding company.

Five of Richard Shops executives said a management buy-out of the divisions' 27 women'swear outlets would be organised if Hanson gained control.

Five members of the Richard Shops board have contradicted the advice of the holding company directors, headed by Sir Robert Clark,

who have consistently supported Hanson's terms, and advised shareholders to accept Bassishaw's 130p per share cash offer.

The five Richard Shops executives said that Bassishaw would "develop our trading performance and asset management".

They are concerned that Richard Shops should remain an independent women'swear retailer. They are urging UDS shareholders to vote against Hanson on the basis that such a deal would prepare the ground for an arrangement with Burton Group which

would merge Richard Shops with Burton's Top Shop and Peter Robinson outlets.

Richard Shops, with the John Collier menswear chain, are seen by both Burton and Bassishaw as a vital part of UDS's recovery potential. However, the Richard Shops operating board claims that "a significant return to profitability" was already achieved in the second half of the year to January 1983 and asserts that "current trading performance is buoyant".

Mr Peter Mitchell, Richard Shops' finance director, Mr

David Franks, the sales director, Mr Julian Howell-Jones, personnel, Mr Ivor Taylor, property and stores development, and Mr William Edmondson, the company secretary, believe that much has been achieved in terms of merchandising, store layout and cost control.

Burton and UDS have already negotiated a price of £78m for the Richard Shops and John Collier chains although it is understood that Hanson will attempt to secure better cash terms if it succeeds with an overall bid for UDS.

U.S. raises forecast on economic growth to 4.7%

BY ANATOLE KALETSKY IN WASHINGTON

THE Reagan administration has raised its official forecast of U.S. economic growth between the fourth quarters of 1982 and 1983 from 3.1 per cent to 4.7 per cent.

The new forecast came unexpectedly from Mr Martin Feldstein, chairman of the Council of Economic Advisers, two weeks before it was due to be transmitted to Congress. It follows a bitter struggle between Mr Feldstein and President Reagan's other economic advisers, who had wanted an official forecast involving considerably higher growth figures, ranging up to 6.5 per cent.

The 4.7 per cent figure is in line with the current "consensus" of private economists' projections, but was strongly opposed by technical monetarists within the Administration who even argued for a slower economy after the rapid growth in money supply over the past six months.

The acceptance of Mr Feldstein's more moderate forecast may reduce pressure from the Administration on the Federal Reserve Board to tighten its monetary policy in the months ahead.

In recent weeks some Administration officials had begun to warn that over-expansion of the money supply could produce an over-heated economy and a surge in inflation towards the end of the year.

Mr Feldstein, on the other hand, has strongly supported the Fed's current policies and endorsed its view that the money supply figures are severely distorted and may be giving misleading signals.

He said that the forecast had been revised because it was now clear that the economic recovery began in December or January. While giving his total 4.7 per cent forecast, Mr Feldstein had said he would "not be surprised" by growth of about 5

per cent if it turned out that the recovery had already begun.

The inflation rate forecast had been reduced from 5.6 per cent to 4.5 per cent, measured in terms of the gross national product deflator, partly as a result of the drop in oil prices, he said.

The overall effect of the new forecast would be to reduce the projected budget deficit for 1984 by about \$10bn (£6.3bn). A \$189bn deficit was projected in January. The unemployment rate would fall below 10 per cent by the end of the year, he predicted.

President Reagan said yesterday that the U.S. economy's recovery from recession would be threatened if Congress deviated from his blueprint for taxes and spending. "The signs are clear an economic recovery is under way," he told a Press conference.

Reagan and Congress votes, Page 2

Glaxo in Japanese joint venture

BY RAY DAFTER

GLAXO, the UK's largest pharmaceutical company, has established a joint venture with Sankyo, one of Japan's top drug companies, to spearhead a new sales drive in the Japanese market.

City analysts yesterday said the link was notable because it coincided with Glaxo's preparations to launch its Zantac anti-ulcer drug in Japan. Glaxo said that the new joint company, called Glaxo-Sankyo, would market the drug once it was approved by the Japanese authorities. A decision on the drug's acceptability is expected next year.

Glaxo-Sankyo is to sell its products in parallel with its existing marketing affiliate, Nippon Glaxo. Glaxo's arrangements with Nippon Glaxo and other Japanese companies have

helped it to become a leading UK exporter to Japan.

The UK company will not disclose its Japanese sales figures. However, it is known that in the year ended June 30, 1982, its turnover in Asia was £146m, equal to some 22 per cent of its total worldwide turnover. Sales of drugs in Japan total £7.5bn a year. The world market is worth \$50bn.

Glaxo said yesterday that Sankyo would be involved directly in the marketing of Zantac on behalf of Glaxo-Sankyo during the early phase of development. Eventually, however, it was intended that the joint venture would emerge as an independent marketing company.

The new company, with a capitalisation of 300m yen (£246,000), would market other

drugs emerging from research. These are expected to include an oral version of the antibiotic drug Zinacof, said to be "under development".

Other UK companies, including Beecham and Fisons, have set up marketing links and subsidiaries in Japan, but City analysts said that Glaxo now had the strongest presence.

Mr Robin Gilbert, pharmaceutical industry analyst with stockbrokers James Capel, said: "This is an important deal which gives Glaxo a significant long-term tie-up in one of its most important markets."

Glaxo's vehicle for the joint venture is Shin Nihon Jisugyo, an associate company of the UK drugs group, Glaxo and Shin Nihon jointly own Nippon Glaxo, which is to continue its marketing activities.

Trident in talks with Pleasurama

By Charles Batchelor

TWO OF Britain's largest casino groups, Pleasurama and Trident, have started discussions which could lead to a bid for Trident. The company was worth £48.6m at yesterday's share price level.

A merger would bring together Pleasurama's chain of 17 casinos in major provincial towns and Trident's five London casinos. One of the Trident units, the former Playboy Casino in Park Lane, is closed after Trident failed to obtain a gaming licence.

Trident's shares rose 5p to 101p on the Stock Exchange yesterday while Pleasurama fell 15p to 54.5p.

Trident said talks between the two companies about a full bid from Pleasurama started after Trident agreed to sell two of its casinos, in Portsmouth and Manchester, to Pleasurama for £375,000. This deal was completed in February.

Trident acquired its three London casinos, two of which had their gaming licences terminated, from the Playboy group in 1982.

It succeeded in obtaining a gaming licence for the Clermont but failed with the Park Lane casino.

Planning applications have been made for a change of use for the Park Lane building. The licence was refused on the grounds that there was not enough demand in the area.

Trident previously owned Yorkshire Television and Tyne Tees Television but was forced to divest by the Independent Broadcasting Authority and now holds stakes of 30 and 25 per cent respectively.

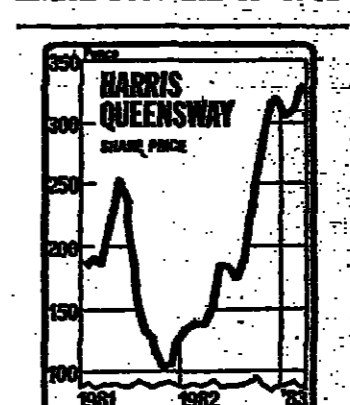
Trident has other leisure interests, including Scarborough Zoo and Windsor Safari Park. Its 1982 profit was nearly halved to £4.25m in the year ended September 30 1982 on turnover of £90m. A recovery is expected in the current year.

Pleasurama owned no London casinos until it bought Maxm's in March 1982, although it held stakes of 25 per cent in two clubs owned by the Maxm Group. It also runs amusement parks and bingo clubs and reported a 70 per cent rise in pre-tax profit to £9.51m on turnover of £93.3m in the year ended September 30.

THE LEX COLUMN

Britoil rides the currency waves

Index rose 2.1 to 656.9



50 per cent over-subscription to guarantee a decent send-off and, as of last night, that level looked likely to be around 200p.

Harris Queensway

Successful retailers have a common aversion to accounting: even modest quantities of debt witness J. Sainsbury's prompt recourse to sale and its balance sheet showed a marginal net debt position. But, even against the yardstick of the retailing sector, yesterday's one-for-one rights issue from Harris Queensway was in a class of its own.

Over the past three years, the company has eliminated net borrowings of £25m and funded acquisitions totalling over £30m entirely from its own cash flow. After a collapse year in which profits have fallen 56 per cent to £16.5m pre-tax, there is no perceptible break in the momentum.

Harris is not apparently planning a major acquisition and categorically denies that it has any intention of bidding for Waring and Gillow. Instead, the £24.5m net proceeds will be used to support a £55m programme of investment in freehold properties. Like Burton Group, Harris has established a successful retailing formula—reflected in last year's net margin of 8.4 per cent—and now aims to take full advantage of the weakness of many of its rivals. The news did nothing to dent the market's confidence in the shares, which finished the day unchanged at 328p and yielding 2.5 per cent.

House of Fraser

No-one would expect a report commissioned by the National Association of Pension Funds and prepared by a leading accountancy firm to exhibit the literary flair and panache of Mr. Tony Rowland or Professor Rowland-Smith. But, by any standards, the Coopers & Lybrand study of the Harrods de-merger issue is an insight and imaginative contribution to the debate.

Coopers reminds the reader throughout the report of the limited scope of its brief but this then begs the question of why the analysis was commissioned in the first place. The final conclusion—that the working party papers presented to the House of Fraser board dealt with the issues fully and fairly—is so hedged around with qualifications as to be almost redundant.

Charter/Anderson

Anderson Strathclyde's long battle for Scottish independence came to an abrupt end yesterday as the Kuwait Investment Office dropped its 10.3 per cent shareholding in Charter Consolidated's ample lap. At Charter's 200p offer price, Anderson is being surrendered at what looks a modest multiple of around 13 times forecast fully-taxed earnings. But Charter will now, of course, be dealing with a very different

Datastream

Application lists for the Datastream tender offer open on Tuesday and it is already looking as if Lazards will be able to pitch the striding price some way clear of the 180p per share minimum.

Even at this level, Datastream would be selling on a multiple of 25 times prospective earnings, a rating which may not adequately discount the company's vulnerability to heavyweight competition in the information market and its potential loss of business if negotiated commissions oblige stockbrokers to cut back on overheads.

Yet the USM is still underlining the degree of popularity enjoyed by "technology" stocks and, like many USM companies, Datastream has the added bonus of security. Only 15 per cent of the equity is being sold and that in a company which has no quoted counterpart. Lazards will probably draw the line at a level which secures perhaps

Continued from Page 1

Yugoslavia

there will be a 14 per cent facility fee. These parts of the package will carry a maturity of six years, rather than the five years originally proposed by the banks. The \$600m will be available exclusively for the National Bank.

The other part of the agreement calls for \$1.8bn to \$2bn of short-term debt to be re-scheduled over two years at a rate of 14 per cent over Libor or 14 per cent over prime. The up-front fee will be 4 per cent.

The bank agreement was disclosed last night by Manufacturers Hanover Trust, the U.S. bank which has been chairing the 15-bank co-ordinating committee. The Yugoslav delegation was led by Mr Gavro Popovic, Assistant Finance Minister.

The bank said last night it expected formal approval from Belgrade on Tuesday. The 400 Western creditor banks also have to approve the deal.

In addition to the bank package, the total rescue scheme includes a drawing of some \$600m from the IMF, \$1.36bn from Western governments, \$250m from BIS and \$350m from the World Bank.

Continued from Page 1

Hong Kong

least efficient users of road space. Whether to charge goods vehicles as well, and at what rate, would be decided during the pilot stage.

The sensor system has been used in other transport applications, such as communicating information about truck conditions to traffic in motion. But this is the first time it will have been used in the manner planned by Hong Kong.

Transpotech is also developing a package for monitoring highway maintenance, which could have widespread application in developing countries.

Weather

UK TODAY

SUNNY intervals and wintry showers. Sleet in places. S.E., E. and N.E. England, central and E. Scotland. Sunny intervals with wintry showers dying out. Max 7C (45F).

Rest of the country. Bright intervals at first. Isolated wintry showers dying out. General rain or sleet later. Max 8C (46F). Outlook: Unsettled. Cold.

WORLDWIDE

	Y'day	Today	Y'day	Today	
	C	F	C	F	
Algeria	14	57	Luxor	29	64
Algiers	14	57	Madrid	9	48
Amman	6	43	Madrid	9	48
Athens	20	68	Malaga	10	61
Bahia	17	63	Manila	21	70
Beirut	17	63	Moscow	9	41
Belfast	25	77	Mythen	17	63
Berlin	25	77	Mythen	17	63
Bombay	17	63	Nicosia	18	64
Buenos Aires	17	63	Nicosia	18	64
Burgas	17	63	Nicosia	18	64
Calcutta	17	63	Nicosia	18	64
Canton	17	63	Nicosia	18	64
Cebu	17	63	Nicosia	18	64
Colon	17	63	Nicosia	18	64
Dhaka	17	63	Nicosia	18	64
Dublin	17	63	Nicosia	18	64
Durban	17	63	Nicosia	18	64
Edinburgh	17	63	Nicosia	18	64
Geneva	17	63	Nicosia	18	64
Hankow	17	63	Nicosia	18	64
Hong Kong	17	63	Nicosia	18	64
Kobe	17	63	Nicosia	18	64
London	17	63	Nicosia	18	64
Lyons	17	63	Nicosia	18	64
Manila	17	63	Nicosia	18	64
Medan	17	63	Nicosia	18	64
Memphis	17	63	Nicosia	18	64
Mexico City	17	63	Nicosia	18	64
Moscow	17	63	Nicosia	18	64
Mumbai	17	63	Nicosia	18	64
Nairobi	17	63	Nicosia	18	64
Paris	17	63	Nicosia	18	64
Peking	17	63	Nicosia	18	64
Rangoon	17	63	Nicosia	18	64
Reykjavik	17	63	Nicosia	18	64
Rio de Janeiro	17	63	Nicosia	18	64
Rome	17	63	Nicosia	18	64
Sao Paulo	17	63	Nicosia	18	64
Seoul	17	63	Nicosia	18	64
Shanghai	17	63	Nicosia	18	64
Singapore	17	63	Nicosia	18	64
Sofia	17	63	Nicosia	18	64
Taipei	17	63	Nicosia	18	64
Tokyo	17	63	Nicosia	18	64
Toronto	17	63	Nicosia	18	64
Ulan Bator	17	63	Nicosia	18	64
Warsaw	17	63	Nicosia	18	64
Washington	17	63	Nicosia	18	64
Yokohama	17	63	Nicosia	18	64

C = Cloudy, F = Fair, S = Rain, S = Sunny
St = Storm, Sn = Snow.

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French Continued from Page 1

With the franc steady on the foreign exchanges, pinned to the ceiling of its new EMS fluctuation range against the D-Mark, interest rates on the Paris money markets fell slightly yesterday.

The Paris bourse gained strongly in advance of the announcement, with the narrowly-based index up around 2 per cent on hopes that the Government was moving towards a policy of boosting com-

Continued from Page 1

Hong Kong

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